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Agricultural Economics Bibliography No. 42

MEASURES TAKEN IN FOREIGN COUNTRIES TO RELIEVE AGRICULTURAL INDEBTEDNESS

Compiled by A. M. Hannay, May Coult, and Lillian Crans
Under the Direction of Mary G. Lacy, Librarian
Bureau of Agricultural Economics

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FOREWORD

Almost all of the relief measures referred to in this bibliography fall within the scope of the present depression. No attempt has been made to make a historical survey of the subject, but a few references of earlier date have been found and included. It was not thought expedient to include the measures taken by the Australian provinces, for example, to reduce farm rents, or the reduction in rates advocated in Switzerland in 1928 and carried out in Great Britain in 1896 and at other times. Nor has reference been made to the century-long land struggle in Ireland during the course of which the British Government purchased land in Ireland and resold it to tenants, advancing them part or all of the purchase price, to be repaid at varying rates of interest over a period of years. In addition the Land Act of 1923 cancelled arrears of rent due before 1920 and reduced those due between 1920 and 1923 by 25 per cent. Those interested in the Irish land question are referred to the following books, The Struggle for Land in Ireland, 1800-1923, by John E. Pomfret, and The Land of Ireland, by D. Coghlan; also to an article by S. J. Brandenburg entitled Progress of Land Transfers in the Irish Free State in the Journal of Land and Public Utility Economics, vo. 8, no. 3, August, 1932, p.275-286.

An extensive relief program has been instigated by the German Government more especially for the benefit of farmers in the Eastern provinces and particularly in East Prussia. The latter, except for a short coast line on the Baltic Sea, is entirely surrounded by Lithuanian and Polish territory and the Free City of Danzig, and its trade with the rest of Germany must pass through the so-called "Polish Corridor." Various relief measures have been adopted and have failed for lack of funds. In 1930 a relief bill was discussed in the Reichstag but failed to pass. However, a section making provision for the funding of short-time debts was included in an emergency decree of July 26, 1930 which embodied a number of general relief measures. The area to which the relief applies was extended a month later, and an Eastern Relief Office (Oststelle) was established to handle debt-funding operations. This office and the Ministry of Agriculture collaborated in the elaboration of a relief scheme, and a bill embodying their decisions was introduced, and became law on March 31, 1931. Two main reasons have been given for the alleged failure of the scheme, namely, the inadequacy of the funds made available for carrying it on, and its administration by both the Reich and the Prussian Government which led to friction caused by a divergence of policy. A decree of November 5, 1931 remedied this by placing the work of administration in the hands of a Federal Commissioner. A decree of November 17, 1931 provided measures amounting to a debt moratorium pending the cultivation and harvesting of the next year's crop. This decree roused a storm of protest from creditors, cooperatives, and stock exchanges. But it enabled a large number of farmers to halt or forestall foreclosure proceedings. A recent important step in the relief legislation is embodied in the law of February 6, 1932, the provisions of which are outlined. The most recent decree suspending foreclosure proceedings is that of February 14, 1933. For a brief account of measures taken to relieve farm indebtedness in Germany by

means of debt conversion in 1908 and in 1928 the reader is referred to pages 29 and 45 of a typewritten report on Rural Credit in Germany prepared by the office of the Agricultural Attaché, Berlin, and dated September 1, 1931. (Files F. F. 600, Berlin, Finance.)

Reports from foreign representatives of the Department of Agriculture indicate that there has been no new plan for amortization or refinancing of agricultural indebtedness in Great Britain during the last two or three years, that "on account of the present crisis Belgium has not adopted, and ... does not contemplate adopting, any new measure with the idea of facilitating credit to agriculturists," and that China has adopted no important measures for the relief of agricultural indebtedness.

The bibliography is arranged chronologically under country.

Mary G. Lacy, Librarian,
Bureau of Agricultural Economics,
U. S. Department of Agriculture.

March 20, 1933.

MEASURES TAKEN BY FOREIGN COUNTRIES TO RELIEVE AGRICULTURAL INDEBTEDNESS

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ARGENTINE REPUBLIC

1. Luedtke, C. L. Farm mortgages and agricultural indebtedness in Argentina. Proposals for refunding and adjustment, etc. 6p. and tables, typewritten. Buenos Aires, Oct. 27, 1932. (Agricultural Rpt. 4559.) Copy in Economics Library, Pamphlet Collection.

   Attention is called to proposals made by agricultural organizations for the relief of the farmer. These include moratorium and land revaluation and farm debts and farm chattel mortgage loans. Other proposals, more general in character, are the stabilization of the foreign exchange value of the Argentine peso below its present par value, an increase in the circulating medium by the issue of paper currency, and the declaration of a moratorium on the Argentine foreign debt. But "the Argentine Government, through the Minister of Finance, has taken a firm position against all proposals of this sort... When it comes to the economic problems of the farmer, there appears to be a distinct feeling in many quarters that the farmer's situation can only be solved by leaving him to work out his own salvation. This seems to be particularly true of the problem having to do with the readjustment of the mortgage debt."

2. Luedtke, C. L. Three year moratorium on mortgage foreclosures sales recommended. 2p., typewritten. Buenos Aires, Dec. 14, 1932. (Agricultural Rpt. 5106.) Copy in Economics Library, Pamphlet Collection.

   "The suspension for a period of three years of all judicial sales of mortgaged property is recommended by the special Financial Advisory Board appointed by the President of Argentina some time ago for the purpose of making a study of the general economic and financial condition of the country, according to 'La Nacion' of December 3, 1932."

3. Luedtke, C. L. Status of agrarian legislation before the Argentine Congress. 2p., typewritten. Buenos Aires, Jan. 12, 1933. (Agricultural Rpt. 5436.) Files F. F., Buenos Aires.

   The closing by Presidential decree on January 10, 1933 of the special session of the Argentine Congress which convened on November 21, 1932 prevented action on several agricultural bills and among them a bill introduced on December 14, 1932 providing for a five-year moratorium on all commercial obligations, including mortgages. Taxes and other obligations to the national, provincial, or municipal governments are excepted from the terms of the bill.

4. Luedtke, C. L. The agricultural crisis in Argentina and proposed remedies. 2p., typewritten. Buenos Aires, Jan. 24, 1933. (Agricultural Rpt. 5582.) Files F. F. Agricultural Relief, Buenos Aires.
The condition of the Argentine farmer is shown to be deplorable in an editorial which appeared in "Crisol," a morning daily of Buenos Aires on December 28, 1932. A number of relief measures are suggested including general extension of time on all payments due, reduction in rate of interest on money employed directly or indirectly in agriculture, reduction in the method of appraisal used as a basis for land rents, amortization of mortgage debts for a period of four years or less at the option of the debtor, reduction of interest on such debts to 4 per cent, and reduction of rents according to a given scale.

5. Luedtke, C. L. Argentine Farmers' Federation declare general strike and petition Government for enactment of farm relief measures. 3p., typewritten. Buenos Aires, Jan. 25, 1933. (Agricultural Rpt. 5585.) Files F. F. Agricultural Relief, Buenos Aires.
At a meeting held at Las Rosas in the Province of Santa Fé on January 23, 1933 under the auspices of the Argentine Farmers' Federation, it was resolved "to suspend on February 1st the harvesting of this year's corn crop, and the ploughing and preparation of the soil for next year's crops, if some satisfactory solution of the farmers' distress is not forthcoming from the Government by that date." The demands include a reduction in land rentals, a moratorium providing for payments in installments over a period of four years of all commercial and banking obligations or for land rents, reduction to 4 per cent of rate of interest on money used in agricultural activities, and a minimum price of $5.00 per quintal on corn (approximately 32.7 cents U. S. currency per bushel at present rate of exchange).

AUSTRALIA

New South Wales

6. New South Wales. Laws, statutes, etc. Moratorium Act. No. 48, 1930. An act to make provision for a moratorium; to restrict temporarily certain of the rights possessed by mortgagees, vendors, and others; and for purposes connected therewith. [Assented to, 19th December, 1930.] (In The Statutes of New South Wales (public and private) 1930.)
Grants power to the court to extend the time limit for mortgage repayment for three years from the date of this law under certain specified conditions. This law was amended by the Moratorium (Amendment) Act, 1931, no. 43.

Queensland

7. Queensland. Laws, statutes, etc. An act to confer jurisdiction to grant relief to certain mortgagors in certain cases. [Assented to, 2nd September, 1931.] (In Acts of the Parliament of Queensland, 1931.)
The Mortgagors Relief Act of 1931, no. 6, grants relief to mortgagors on account of the prevailing economic conditions by conferring on the

court jurisdiction to postpone the exercise of powers of sale by certain mortgagees under certain existing mortgages securing fixed liabilities in certain cases.

According to Commerce Reports, no. 4, Jan. 28, 1933, p. 85, "The moratorium clauses of the financial emergency relief legislation of 1931 are extended for an additional year and the term 'mortgaged' liberalized, giving relief to debtors which was not included in the previous legislation. (Consul A. R. Preston, Brisbane.)"

South Australia.

8. South Australia. Laws, statutes, etc. An act to facilitate the adjustment of agricultural debts. [Assented to, December 12, 1929.] (In Acts of the Parliament of South Australia, 1929.)

The Debt Adjustment Act, 1929, no. 1939, provides for the appointment of a Director of Debt Adjustment to confer with and advise any farmer or his creditor and to attempt to bring about a settlement of the farmer's indebtedness without having recourse to legal proceedings. Failing this, a certificate of protection may be granted to the farmer valid until March 31, 1932, and giving the director wide discretionary powers of control over the farmer's affairs. An amendment in 1930 extended the time for granting and cancelling certificates, and a further amendment in September, 1932, extended the time for issuing certificates to June 30, 1933, and provided that the certificate should remain in force until notice of its cancellation appear in the Gazette.

9. South Australia. Laws, statutes, etc. An act to make provision for financing farmers for the season 1931-1932 and for purposes incidental thereto. [Assented to, April 2, 1931.] (In Acts of the Parliament of South Australia, 1931.)

Law no. 1996 of 1931 with the short title, Farmers Relief Act, 1931, provides for granting assistance to farmers to sow, harvest, and market their crop for the 1931-32 season. The proceeds of the harvest are to be transferred to the Board of the State Bank, appointed to administer the act and the farmer's liabilities are to be met according to a stipulated order.

10. South Australia. Laws, statutes, etc. An act to afford relief to mortgagors of land and for purposes incidental thereto. [Assented to, December 2, 1931.] (In Acts of the Parliament of South Australia, 1931.)

The Mortgagors Relief Act, 1931, no. 2046, provides for the postponement of payment of money due on a mortgage, after certain conditions have been fulfilled, until any date not later than September 1, 1933. If the interest payable on a mortgage is at a reduced rate in case of punctual payment or payment within a specified number of days from the due date, the court may order that the interest on the postponed amount remain payable at the reduced rate, but in no other case can it reduce the rate of interest fixed by the mortgage. It may increase such interest but not to exceed 5 per cent. The order of postponement may be rescinded or its terms changed if the mortgagor defaults in payment of interest or in compliance with any term of the mortgage for a period of 28 days.

11. South Australia. Laws, statutes, etc. An act to make provision for financing farmers for the season 1932-33, to make certain amendments to the Farmers Relief Act, 1931, and for purposes incidental thereto. [Assented to, December 9, 1931.] (In Acts of the Parliament of South Australia, 1931.)
Extends the provisions of the Farmers Relief Act, 1931 to cover the season 1932-33.

12. Alford, F. S. Debt adjustment and farmers' relief acts of South Australia. Econ. Rec. 8 (15): 272-275. Dec., 1932.
An account of the provisions of the Debt Adjustment Act of December 12, 1929, the Farmers' Relief Act of April 2, 1931, and the Farmers' Relief Extension Act of 1931. "These Acts are being sympathetically administered, and are working smoothly to the general satisfaction of all interests concerned."

South Australia and Western Australia

13. Taylor, Gordon. Farmers' debts in South Australia and Western Australia. Econ. Rec. 7 (13): 297-303. Nov., 1931.
Contains a digest of the Report of the Royal Commission on the Disabilities affecting the Agricultural Industry of Western Australia and the essential features of "The Farmers' Relief Act of April, 1931."

Tasmania.

14. Tasmania. Laws, statutes, etc. An act to provide for the reduction of the rates of interest payable in respect of certain fixed liabilities, and to enable tribunals to make exemptions and modifications in certain cases. [3 August, 1931.] (In The Acts of the Parliament of Tasmania, 1931.)
The Mortgage Interest Reduction Act, 1931, no. 8, provides that interest payable in respect of certain liabilities be reduced by 4/6 in the pound. The mortgagee's power of foreclosure or other remedy to secure payment of principal, if all interest has been paid, is restricted for 12 months after the passing of the Act, except by order of the court.

Victoria

15. Victoria. Laws, statutes, etc. An act to provide temporary relief to unemployed lessees mortgagors and purchasers under contract of sale of dwelling-houses and to farmers in respect of debts and for other purposes. [24th September, 1931.] (In The Acts of the Parliament ... of the State of Victoria, 1931.)
Part II of the Unemployed Occupiers and Farmers Relief Act 1931 grants to any farmer the right to apply to the nearest court of petty sessions for a protection certificate. "The court if satisfied that proceedings in respect of the debts of such farmer are threatened or impending and that it is in the interests of the farmer and his creditors that a protection certificate should be issued may issue to the farmer a protection certificate in the prescribed form and specifying any land to which the certificate relates; and no land shall be specified in such certificate unless at the time the application is made the farmer is engaged (whether on his own account or under a share-farming agreement) in agricultural, horticultural, viticultural, or pastoral operations on such land." The protection certificate may cover a period

not exceeding 12 months and may be renewed from time to time for a further period not exceeding 12 months. But all protection certificates are to become invalid after May 1, 1933. The farmer's creditors are to be notified by the court of the issue of any protection certificate, its extension or cancellation. Provision is made for the appointment of a Farmers Relief Board to deal with the property of any farmer to whom a protection certificate has been granted for his own benefit and that of his creditors. The Board is given power to bring about an amicable arrangement between a farmer and his creditors under which the farmer may be "exonerated from his obligations to such an extent as will afford him a reasonable prospect of discharging the remainder of his obligations and of carrying on the farm." As long as the protection certificate remains in force the board controls the income of the farmer and apportions to him an allowance for his upkeep and farming operations. This Act was amended by no. 3971: An Act to amend section twenty-one of the Unemployed Occupiers and Farmers Relief Act 1931 of November 4, 1931.

16. The mortgage tangle. Pastoral Rev. 42 (11): 1036. Nov. 16, 1932.
"The question of legislative relief to mortgagors seems to be hurrying the State Ministry into a political crisis. The Country Party is still adamant in its demand that the Financial Emergency (Mortgages) Bill be amended to afford relief to mortgagors in any renewals of mortgages which have fallen due since 1st October of last year. The major portion of the United Australia Party, on the other hand, contends that the reduction of interest on new mortgages cannot be conceded without destroying the credit of producers and thereby aggravating their difficulties... There is no guarantee against arbitrary interference in the future at any time and at any whim of any political party."

Western Australia

17. Western Australia. Laws, statutes, etc. An act for the adjustment of the debts of farmers and other persons engaged in rural pursuits, and for other relative purposes. [Assented to, 30th December, 1930.] (In The Acts of the Parliament of Western Australia, 1930.)
The Farmers' Debts Adjustment Act, 1930, no. 49 provides for the appointment of a director who may appoint a receiver of the rents, profits, and produce of a farmer during which time no action can be brought against the farmer for default of payment of mortgage or default under an agreement of sale and purchase of land. This act to continue in force until the end of March, 1932. This act was amended by no. 4 of 1931

18. Solomon, S. E. Farmers' debts adjustments in Western Australia. Econ. Rec. 8 (15): 275-278. Dec., 1932.
A discussion of the Farmers' Debts Adjustment Act no. 49 of 1930 as amended by no. 4 of 1931. Statistics of operations under the Act are given.

BULGARIA

19. Bulgaria - Law for general relief of debtors. Commerce Reports, no. 39: 433. Sept. 24, 1932.

"Primarily to prevent the public sale of real property of the debtor in Bulgaria for only a fraction of its true value, to satisfy relatively small debts, any debtor under process may request a stay of execution as late as one day prior to the date fixed for the public sale of his property, if he pays to the court which issued the writ of execution 10 per cent of the debt, and assumes in writing the obligation to pay a further 10 per cent of the debt at the end of one year and the remainder in installments of 10 per cent every six months thereafter. If the stay is issued, and the debtor fails to pay an installment, the sale shall be automatic. This law applies to all debts of whatsoever nature with a fixed due date incurred before January 1, 1931, and to extensions of such debts. If the public sale has been concluded, but not yet approved by the appropriate court, the debtor may avail himself of the provisions of this law. In such cases, the purchaser's deposit shall be returned. Debtors shall have the right to repurchase, at the sale price, during one year from the entry into force of this law, their real estate and buildings lost through forced sale after January 1, 1929, provided the third party acquired rights to this property before March 1, 1932, and the original owner fulfills the obligations laid down. (Official Gazette, April 16, 1932.)"

CANADA

Alberta.

20. Alberta. Laws, statutes, etc. An act to amend and consolidate the debt adjustment act. (Assented to March 28, 1931.) (In Statutes of the Province of Alberta, 1931.)

The Debt Adjustment Act, 1931, chap. 57, provides for the appointment of a director and a board of review to attempt to bring about an amicable settlement of debts between resident farmers and their creditors. On application of a resident all proceedings in the nature of an execution or such proceedings as may lead to the sale or foreclosure of real property may be suspended. The resident must then deal with all or any part of his property as the director may deem expedient. The rights of creditors are also protected. This act, which repeals the Debt Adjustment Act, chapter 43 of 1923, is to remain in force until April 1, 1933. It is slightly amended by the Debt Adjustment Act, 1931, Amendment Act, 1932, assented to April 6, 1932.

21. Collins. H. M. Imperial Oil Company adjusts debts owed by farmers. 2p., typewritten. Edmonton, Dec. 23, 1932. (Consular Rpt. 94590.) Files F. F. Finance, Canada.

The Edmonton office of the Imperial Oil Company announced on December 22, 1932 that individual farmers' debts owing to the company for products supplied in 1929 and 1930 would be held in abeyance until

October 1, 1933, and that all interest would be cancelled from the time of purchase to that date. "Beginning October 1, 1933, the debts will become payable in five annual instalments, the Company's carrying charge for the five-year period being put at four per cent. A striking feature of the scheme is that annual payments on principal and interest are to be adjusted in direct ratio to the price of wheat prevailing on October 1 of each year. The basis for such adjustment will be $0.70 a bushel, the approximate average price at which the 1929 and 1930 crops were marketed. Annual instalments will be reduced by whatever percentage the price of no. 1 northern wheat at Fort William is less than $0.70 at the close of the Winnipeg Grain Exchange on October 1 of each year. In the event that the price exceeds $0.70 a bushel, no increase will be made in the amount collected. This action of the Imperial Oil Company is the most conspicuous answer thus far given by an individual business concern to the increasingly widespread and insistent demand in Alberta for a moratorium for farmers and the establishment of a relationship in the matter of payment of farmers' debts between values at the time the debts were incurred and existing values."

Manitoba

22. Winslow, R. R. Manitoba's rural credit losses. 1p. Winnipeg, May 7, 1928. (Consular Rpt. 54162.) Files F. F. Finance, Canada.

"A rural credit commission has been appointed to investigate an indebtedness of about $2,000,000 owing the Manitoba Government under its system of rural credits. It is generally believed that a large portion of this indebtedness will have to be written off. The commission is to be known as the 'Debt Adjustment Board'."

23. Manitoba. Laws, statutes, etc. An act to facilitate the adjustment of debts. April 9, 1931. (In Acts of the Legislature of the Province of Manitoba, 1931.)

This act provides for the appointment of a debt adjustment commissioner to bring about a settlement between any person personally engaged in farming operations or the owner of a house which he occupies as his home and his creditors. He has the power to suspend any proceedings in the nature of suits for debt, sale, foreclosure or seizure. The act is to remain in force until April first, 1933.

Ontario

24. Fuller, G. G. Doubtful status of provincial farm loans. 3p., typewritten. Kingston, Mar. 1, 1932. (Consular Rpt. 88540.) Files F. F. Finance, Canada.

"Ontario has several farm loan schemes but the only active one is conducted by the Ontario Agricultural Development Board which has been making 6 per cent amortization loans to farmers since 1922, payable over a period of 23 or 32 years... The losses suffered by the Province cannot be determined as no financial account has been published... The Board reports that during the past fiscal year only half of the amounts due were paid on time. Although only 10 per cent was two years overdue in 1931, extensions have been numerous since that time. It has

been necessary to announce a moratorium and the Board will not foreclose any mortgage at the present time. Banks are thus relieved by the Government of the need of carrying these frozen loans."

25. Ontario. Laws, statutes, etc. An act to give further power to courts with respect to the recovery of money secured by mortgage and similar matters. Assented to March 4, 1932. (In Statutes of the Province of Ontario, 1932.)

The Mortgagors' and Purchasers' Relief Act, 1932, Ch. 49, forbids proceedings of foreclosure or sale for the recovery of principal money secured by a mortgage on land except by leave of a judge granted upon application and on certain conditions. Subject to the operation of an Order-in-Council this act shall have effect as from February 1, 1932 and shall remain in force until the expiration of 30 days from the close of the next session of the legislature.

A similar act was passed on Apr. 8, 1914 and amended in 1916, 1917, 1918, 1919, 1920.

26. France, L. A. Ontario moratorium legislation. 2p., typewritten. Toronto, Jan. 14, 1933. (Commerce Report, 165285.) Files F. F., Finance, Canada.

A formal statement made by the prime minister of Ontario and published in The Toronto Mail and Empire for January 12, 1933, makes it plain that the aim of the Mortgagors' and Purchasers' Relief Act is not to extend general relief to borrowers or tax delinquents who are in a position to pay without extreme hardship, but only to provide temporary protection in cases in which mortgagees are instituting foreclosure or sale proceedings in order to acquire the mortgagor's equity when it is in jeopardy because of present economic conditions. It has been suggested that the scope of the above act be extended to allow of a hearing before a judge who should be cognizant of the position of both mortgagor and mortgagee.

Prairie Provinces

27. Heintzleman, P. S. Conference at Winnipeg of premiers of the prairie provinces. 7p., typewritten. Winnipeg, Dec. 21, 1932. (Consular Rpt. 94483.) Files F. F. Congresses, Canada.

At a conference of the premiers of the three prairie provinces of Manitoba, Saskatchewan, and Alberta, held in Winnipeg from December 14 to 17, 1932, the question of farmers' indebtedness was discussed. "The present legislation in all three provinces was reviewed, and various proposals for modifying the same were considered... As a result of the discussions, a general agreement between the governments as to the nature of the legislation to be introduced in the various legislatures and the plan of administering same was arrived at... The legislation will be aimed at bringing about greater security of tenure, primarily for farmers and home owners, on the principle already established in the Manitoba debt adjustment act."

28. Boal, P. deL. Imperial Oil Company. 2p., typewritten. Ottawa, Jan. 16, 1933. (Report from Chargé d'Affaires a.i., 95173.) Copy in Economics Library, Pamphlet Collection.

"The Imperial Oil Company, a subsidiary of the Standard Oil Company of New York, recently announced a plan of debt adjustment with its farmer customers whereby outstanding accounts are to be brought under a new classification beginning October the 1st, 1933. After this date the payment of debts due by farmers to the Company is to be extended over a period of five years with equal annual installments due each October 1st. Interest charges on farm debts from the date of purchase to October 1, 1933, are to be entirely canceled and the accounts carried from that date will be at 4% interest. One unusual feature of the plan is that a method has been worked out whereby the installments over the five Octobers, beginning in 1933, will be calculated in relation to the price of wheat at the time payment of the installments is made. If wheat is selling at 70 cents a bushel the debtor will pay his installment in full but if wheat is at a lower price, then the installment will be reduced in a ratio equal to the difference between 70 cents and the actual price received by the farmer."

29. Debt reduction plans. Econ. Annalist 3 (1): 8-9. Jan., 1933.

Contains a statement of agricultural indebtedness in Saskatchewan and a list of proposals with respect to loans made by the Provincial Farm Loan Board which the Government of Saskatchewan will ask the Legislature to endorse. These include "cancellation of interest for one year, payable on the 12 months between November 1, 1931 and November 1, 1932; amortization of interest in arrears prior to November 1, 1931, over five years, with interest payable on such amortized sums of 5 per cent; amortization of principal arrears prior to November 1, 1932, over 10 years, with interest payable at the board's legal rate of 6 1/2 per cent... Arrangements are under consideration by commercial lending institutions in regard to extending arrears of interest over a period of years and postponing payments of principal... Between 30,000 and 40,000 farmers in the Prairie Provinces and about $6,000,000 in debt for petroleum products are generally believed to be affected by the Imperial Oil Company's recently announced policy which is as follows:- 1. Payment of these debts will be extended over a period of five years beginning October, 1933, with equal annual installments due each October 1; 2. The Company undertakes to cancel entirely all interest charges on these farm debts from the time the goods were purchased until October 1, 1933; 3. The Company will carry these amounts on its books after October 1, 1933, at a rate of 4 per cent interest; 4. The Company will adjust principal and interest payments in direct ratio to the price of wheat on October 1 of each of the five years when installments will be due."

Saskatchewan

30. Cram, P. H. The adjustment of debts. 7p., typewritten. Regina, Sept. 2, 1925. (Consular Rpt. 25805.) Files F. F. Agricultural Relief, Canada.

Contains an account of the work of the Debt Adjustment Bureau created in 1921 by the government of Saskatchewan and its results.

31. Cram, P. H. Adjustment of farmer-debts. 2p., typewritten. Regina, Apr. 27, 1926. (Consular Rpt. 33053.) Files F. F. Agricultural Relief, Canada.
"The marked improvement in the general economic conditions of this province is reflected in the work of the Debt Adjustment Bureau. Compared with the 1924-25 records of the bureau, the number of new cases handled this season show a reduction of about fifty per cent." Some statistics of cases are given.

32. Saskatchewan. Laws, statutes, etc. An act to amend and consolidate the debt adjustment act. April 13, 1932. (In Statutes of the Province of Saskatchewan, 1932.)
This act provides for the appointment of a debt adjustment commissioner to bring about an agreement between any resident (including those engaged in or the principal part of whose income is derived from farming operations) and his creditors to provide for the settlement of the resident's debts, either in full or by a composition. He may issue a certificate to stop all proceedings in the nature of execution, sale, or foreclosure of any real or personal property. He can then notify the creditors and no transfer or sale or deal of any kind will be valid unless he agrees to it. Provisions are made for the protection of creditors. This act is to remain in force until April first, 1934. It supersedes the Debt Adjustment Act of 1931 which was substituted for the Debt Adjustment Act of 1930.

33. Debt adjustment bureau. Report of the Commissioner. Regina, June 30, 1932. Saskatchewan. Dept. of Agriculture. Twenty-seventh annual report, 1932, p. 9.
In submitting the tenth annual report of the Debt Adjustment Bureau for the year ending April 30, 1932, the Commissioner states that the bureau operated under the Debt Adjustment Act, 1931 from May 1, 1931 to April 13, 1932, and under the Debt Adjustment Act, 1932 from April 13, 1932 to date. "During the year over 8400 residents consulted this Department regarding their affairs and 280 certificates under The Debt Adjustment Act have been issued. Practically every variety of trouble has been brought to my attention including difficulties over payments of farm machinery, live stock, automobiles, trucks, payments due under mortgages, agreements for sale, crop leases, threshing accounts, etc. The policy of this Department is to endeavor to arrange amicable settlements between debtors and creditors rather than resort to the issue of a certificate and in most cases the Department is successful in making arrangements on this basis. After a certificate has been issued, the resident is required to market all the proceeds of the farm, with the exception of poultry and dairy products, in the name of the Commissioner and the proceeds are disbursed as follows - harvesting expenses, seed grain liens, an allowance for living and operating expenses of the resident and his family for the next twelve months, one year's taxes paid, payment to the mortgage company or vendor, and the balance, if any, is distributed according to priority. The present financial condition of many farmers is not entirely due to crop failures and low prices of grain. An examination of the statements submitted by farmers indicates that farmers, like cities, towns, corporations, etc. endeavored to

extend their operations too quickly, improve their farms, purchase cars, trucks, etc., through the use of easy credit and on the assumption that good crops and comparatively high prices would continue. Many farms were purchased at excessive valuation with small cash payments and many farmers who had clear title to their land mortgaged it in order to obtain cash with which to purchase more land; and as a result liabilities were undertaken which cannot be met under present conditions. Many farmers changed from horse to power machinery, the machinery being purchased on a credit basis when prices were at a high level and the farmers now find it most difficult to meet their obligations to machine companies. Machine companies loan and mortgage companies, as well as other classes of creditors, are writing off a certain proportion of debt, but this is not being done on a general scale. Each case is considered on its merits and the general opinion seems to be that the time is not opportune for a general writing down of debts."

CANARY ISLANDS

34. Greenup, J. C. Moratory tax regulations for Fuerteventura. 1p., typewritten. Las Palmas, Oct. 17, 1925. (Consular Rpt. 27492.) Files F. F. Finance, Canary Islands.

"Upon application of the farmers of the drought-stricken island Fuerteventura the Madrid government has released them for an indefinite period from the payment of over-due taxes."

DENMARK

35. Denmark. Laws, statutes, etc. Lov om ekstraordinaere foranstaltninger i anledning af landbrugskrisen [Law concerning extraordinary measures due to agricultural crisis] Denmark. Landbrugsraadet. Landbrugsraadets meddelelser, no. 44: 941-948. Oct. 29, 1931. Have English translation by H. Bartmann. May be borrowed for copying.

36. Winship, North. Despatch no. 273. 13p., 5 enclosures, typewritten. Copenhagen, Nov. 3, 1931. Files F. F. 86116. Agricultural Relief, Denmark.

Copy of law of October 19, 1931 (Lov om ekstraordinaere Foranstaltninger i Anledning af Landbrugskrisen) and a translation of the law are appended. Provision is made for a temporary reduction of taxes and interest payments of owners and tenants of farms.

37. Gjessing, E. The agricultural situation in Denmark. Copenhagen, Nov. 21, 1931. Excerpt from Report on Commerce and Industry, 3rd Quarter 1931, p. 25-32. Typewritten. (Consular Rpt. 86544.) Files F. F. Agricultural Relief, Denmark.

A law of October 18, (19?), 1931 provides for the relief of farmers whose total debts exceed the assessed value of their property. The relief granted to each farmer may not be more than 2 per cent of the excess of debt over the assessed property value, and may in no case exceed Kr. 2000 in value. The amount is to be paid in 4 installments beginning with the quarter ending December 31, 1931. No one whose precarious situation is due to intentional mismanagement or gross

negligence is eligible for relief. The amount to be expended for relief is Kr. 30,000,000 to be obtained by additional taxes. "This law is in effect until October 31, 1932... This law, which was intended to relieve the agricultural class, has been met with severe criticism and disapproval by this class. It is looked upon as a political measure granting a temporary dole, and not as a measure creating an effective and lasting relief."

38. Denmark. Laws, statutes, etc. Hendstandslovgioningen. [Respite legislation. Legislation on delay of payment.] Jydsk landbrug; medlemslad og organ for foreningen df Jydske landboforeninger, 14 (25): 459-461. 23 juni 1932. Have English translation by H. Bartmann. May be borrowed for copying.

A law of June 16, 1932 provides for a suspension of payments on mortgages on agricultural property until June 11, 1933.

39. Coleman, F. W. B. Review of the Danish press. 1p., 1 enclosure, typewritten. Copenhagen, Dec. 16, 1932. (Despatch no. 193. F.F. 94855.) Copy in Economics Library, Pamphlet Collection.

"On December 10 the Minister for Agriculture submitted a bill providing a moratorium for farmers who have fallen into financial difficulties and who have not been able to make an adjustment with their creditors. The moratorium shall apply for three years and may include the mortgage debt, which is in excess of the property's taxation value, in addition to the value of the live stock and chattels, as well as the personal debt of the applicant... The Danish Government has decided to appoint a Committee to examine all items on the Budget Bill in order to effect a reduction."

40. Dreyfus, L. G., jr. New crisis measures adopted in Denmark. Copenhagen, Feb. 1, 1933. (Consular Rpt. 95567.) Files F. F., Legislation, Denmark.

"The Danish Government has now formulated a plan involving far-reaching legislation to cope with the prevailing crisis. A general lockout to commence on February 1, 1933, had been declared by the Danish Employers' Association, and as the Public Arbitrator ... could find no basis for arbitration proceedings, the situation was becoming acute, and it became clear that vigorous measures must be adopted to prevent a labor conflict which at the present time would be absolutely ruinous to the country... The Government had to seek an alliance with one of the opposition parties, and after various negotiations it found that the agricultural party (the socalled 'Left') was most amenable to a compromise." After protracted negotiations "the agricultural party received important concessions in consideration of which it promised not to oppose Government bills regarding crisis measures and social reforms." Fifteen items in the compromise are listed, among them a moratorium for agriculturists with regard to payments which fell due in the settlement period of December, 1932, and a moratorium for all debts over and above the assessed value of the farm of the debtor plus the value of livestock and implements, such debts to be "frozen" for two years unless the creditor agrees to a composition.

41. Groth, E. M. Danish agriculture during 1932. 27p., typewritten. Copenhagen, Feb. 13, 1933. (Consular Rpt. 95722.) Files F. F. Agriculture, Denmark.

"Nineteen thirty-two was the worst year experienced in Danish agriculture in many generations." An account of agricultural conditions and the factors which influenced them is given. Additional sums were appropriated by the Government for farm relief and provision was made for "State loans to farmers, enabling them to compound with their creditors. A moratorium was established in June, but during the year there was much ado regarding the possible postponement of interest payments and installments on Credit Association loans which were not covered by the moratorium. A number of the Credit Associations were unwilling to grant any postponement of payments due as they maintained that the National Bank would not give them sufficient liquid capital with which to meet their own obligations. The co-operative agricultural societies then sent a letter to the National Bank pointing out the unfortunate conditions existing and emphasized the fact that in former negotiations between the Parliamentary Committee, the National Bank and the Ministry, an agreement had been reached regarding postponement of these payments and the appropriation of the necessary funds therefor, provided that the Credit Associations would give the National Bank adequate security. This was finally arranged and relief granted where it was most needed. At best, these measures only offer temporary relief. Eventually a day of reckoning must come and then no doubt there will be greater demands than ever for vigorous relief measures... Legislative enactments during 1932 included an Act for the postponement of compulsory auction sales of agricultural property; an Act which gave certain creditors preferential rights in the crops of farmers financially embarrassed during 1932 ... and additional Acts governing ... loans for land improvement, etc. A special group of bills passed and not passed dealt with crisis relief measures."

EGYPT

42. Egypt. Laws, statutes, etc. Décret-loi no. 54 de 1930 accordant un délai pour le paiement des loyers agricoles. (In Lois du gouvernement égyptien, 1930.)

Grants a moratorium of one year for the payment of 20% of the agricultural rents due for the year Sept. 1, 1929 - Aug. 31, 1930 on land rented for normal cotton cultivation. This law was published in the Journal Officiel, no. 111, Dec. 4, 1930.

43. Egypt. Laws, statutes, etc. Loi no. 103 de 1931 concernant les loyers agricoles de l'année 1929-1930. (In Lois du gouvernement égyptien, 1931.)

Provides that rent for land used for normal cotton cultivation during the agricultural year 1929/30 cannot be collected in excess of 80% of the sum due. This law was published in the Journal Officiel, no. 78, July 30, 1931. It was not submitted to the Legislative Assembly of the Mixed Court of Appeals, and consequently its provisions are not applicable to foreigners.

44. Egypt. Laws, statutes, etc. Décret-loi no. 110 de 1931 accordant un délai pour le paiement des loyers agricoles. (In Lois du gouvernement égyptien, 1931.)

Grants a moratorium of one year for the payment of 30% of the rents due for land rented for normal cotton cultivation for the year Sept. 1, 1930 - Aug. 31, 1931. This law was published in the Journal Officiel, no. 90, Sept. 10, 1931.

45. Egypt. Laws, statutes, etc. Loi no. 32 de 1932 portant réduction des loyers agricoles pour l'année 1930-1931. (In Lois du gouvernement égyptien, 1932.)

Provides that rent for land used for normal cotton cultivation during the agricultural year 1930/31 cannot be collected in excess of 70% of the sum due. This law was published in the Journal Officiel no. 59, July 11, 1932.

46. Jardine, W. M. Despatch no. 337, Cairo, Nov. 10, 1931, 7p., typewritten, 5 enclosures. Files F. F. 86685, Land, Egypt.

It is pointed out that the decision of the Egyptian Government to intervene to prevent forced sales of land in deserving cases was subjected to so much criticism that the character of the intervention had to be modified and the realization of the original objective failed. The measures which the Government originally intended to take are set forth in an enclosed translation. Other enclosures contain discussions of the situation.

47. Jardine, W. M. Agricultural relief measures of the Government. 8p., 2 enclosures. Cairo, May 19, 1932. (Despatch no. 488.) Files F. F. 90657. Agricultural Relief, Egypt.

Contains a translation of an agreement made by the Government with the Crédit Foncier, providing that the latter grant a moratorium to mortgagees under certain conditions. "Debtors owing the yearly payment of 1931 only can pay the interest on that payment only if they further pay the interest on the 1932 payment within the first six months of 1933, the bank will grant them facilities corresponding to the postponement of their debts for a period of two years... Debtors of the 1930 payment can also avail themselves of the same facilities if they can settle that payment before the end of the current year and so be on the same footing as debtors of the 1931 payments."

48. Norris, P. K. The land debt problem. 3p., typewritten. Cairo, Dec. 10, 1932. (Agricultural Rpt. 5175.) Copy in Economics Library, Pamphlet Collection.

"It is reported that a plan of refinancing past due loans has been agreed upon between the Government and the largest mortgage banks of the country. According to this plan, the present mortgage with all past due payments will be converted into a thirty year loan with annual payments... The Government agrees to take over such refinanced loans and pay the mortgage bank in the form of Treasury bond." Five and ten-year bonds will be issued at 4 and 5% respectively and will be accepted at 98.

49. Government help for farmers. African World 121 (1570): 273. Dec. 10, 1932.

The following is given from "The Times": "owing to agricultural depression here, farmers who had received advances from the banks were unable to repay the loans, with the result that their lands were being expropriated. This became so serious that the Government has intervened to help the farmers.

"Negotiations have been carried out with the Crédit Foncier Égyptien, the Mortgage Bank of Egypt, and the Land Bank of Egypt, whereby the Government agrees to meet the unpaid instalments of farmers' loans, while the banks will extend the mortgages for thirty years and reduce the interest from 9 to 5 per cent. In order to pay the banks the Government is considering the issue of Treasury bonds for LE3,000,000, which it will hand to the banks against unpaid instalments to date.

"This action will undoubtedly help to relieve the position temporarily, although it is doubtful whether LE3,000,000 is sufficient, as the arrears appear already to exceed that figure, while this year's instalments are not included."

50. Russell, H. B. Government intervention regarding land debts in Egypt. 6p., typewritten. Alexandria, Dec. 24, 1932. (Consular Rpt. 94803.) Files F. F., Finance, Egypt.

The serious situation of the Egyptian farmer and the Government's attempts to alleviate his distress are outlined. "Arrangements to carry over debts due from farmers for agricultural loans and the intervention of the Egyptian Bank of Agricultural Credits on other lands, secured by the Egyptian Mortgage Company, were only provisional and based on the hope of a rapid termination of the economic depression. It was the same with the attempt of the government in May 1932 to persuade the courts to postpone mortgage foreclosure proceedings." The Government's negotiations with the mortgage banks, which were begun in May, 1932, have recently been concluded. Their aim was to stop current foreclosure proceedings, to spread the mortgage payments over a number of years, and to reduce the rate of interest. Separate negotiations were concluded by the Government with the Crédit Foncier, the Egyptian Mortgage Company, and the Egyptian Land Bank. "It was agreed to capitalize and to renew present loans together with unpaid arrears, including balance of capital not yet due, the payments due and remaining unpaid, and the interest due on payments in arrears. The new payments will include the balance of capital not due and payments in arrears and their interest, divided over thirty years in the case of the Crédit Foncier and the Egyptian Mortgage Company, and over thirty-five years in the case of the Egyptian Land Bank.

"The Crédit Foncier has fixed the maximum interest rate at 6% for the first five years and 7% for the rest of the period; the Egyptian Mortgage Company at 6-1/2% for the entire period, and the Egyptian Land Bank at 6-1/2% for the first fifteen years and 7% for the rest of the period. Interest on the delayed payments is fixed by all three banks at 5% for two-thirds of the amount of the payments and 6% for the other one-third.

"The government will take two-thirds of the arrears, paying the banks in treasury bonds, of which there will be an issue of from LE3,000,000 to LE3,500,000; some for five years and others for ten years, bearing 5% and 4% interest respectively.

"The debtors will repay the banks each year and the latter will turn over to the government two-thirds of such instalments until the government has recovered its advances. Debtors will be charged 6% by the government and a reduced rate to the banks of a little over 6%.

"The immediate results of the agreement of mortgage debtors are that all foreclosure proceedings at present before the courts will be stopped and that a moratorium of one year in payments is granted. The debtors also obtain a great extension of time in payment, the privilege of payments much reduced and more in keeping with land revenues, and a much reduced interest rate (from 9% to a little over 6%).

"It is probable that the arrangement will necessarily have a certain revivifying effect on trade, as it will tend to permit the fellah once more to supply himself with articles that he has been forced to deny himself for two and a half years. Nevertheless, it is by no means a 'cure-all' and it is believed that other relief is necessary, notably a reduction in land rents and water rates, the former of which especially are still exorbitantly high and based on cotton prices of pre-depression years.

"That the government recognizes that something is wrong with regard to land rents is shown by its action last year, and again recently, in granting a delay in payment of a portion of agricultural rents. A decree of December 8, 1932, provides that if a tenant or sub-tenant of lands leased for cotton cultivation for the agricultural year 1931-1932 shall have paid 70% of the rent of this year, the other 30%, as well as arrears owing from the previous agricultural year, by virtue of the same contract for the same lands, shall not be demandable before September 1, 1933, and the lease shall not be cancelled for this default, provided that the tenant or sub-tenant has rented the land in question for more than one agricultural year and that the lease is anterior to the agricultural year 1930-31. Moreover, payment of the 70% of rent at any time before execution of judgment for the rental money will suspend execution as to the other 30% and arrears until September 1, 1933, while such payment during execution of such a judgment, provided it takes place before the sale of the objects attached or the realization of the writ of judgment, suspends the procedure until September 1, 1933, and even annuls it if the payment is accompanied by the costs of procedure, etc.

"In the preamble to the decree it is stated that such action is considered necessary in view of the persistence of low cotton prices, which shows that the government realizes that present rents are too high for the revenues obtained. This action, like the earlier efforts of the government in the land mortgage debt situation, is a palliative only. The real remedy (and it must be admitted a heroic one) would be legislative action reducing land rents to lower levels. It must be admitted that such action would be bitterly fought by the land-holding interests, which are respectively powerful in all Egyptian political parties, and would probably never be made legally without a veritable revolution."

FINLAND

51. Bouchal, J. L. Moratorium for Finnish farmers. 3p., typewritten. Helsingfors, May 21, 1932. (Consular Rpt. 90511.) Files F. F. Finance, Finland.

Finnish law no. 137 of May 10, 1932 grants to farmers whose position is intrinsically sound the right to apply for a postponement of certain payments. They must show that they will be able to pay their debts eventually if granted such a moratorium. Application for postponement of debt payments should be made to the Governor of the province through the appropriate authorities of the farmer's district, and must be accompanied by a detailed statement of the applicant's financial condition. The application is submitted to the appropriate distraint officer who will call a meeting of the creditors at the expense of the debtor and then forward the minutes of the meeting and his own statement to the Governor who will grant a postponement if it is decided that the applicant can pay his debts on the expiration of the moratorium. Postponement may not be granted beyond November 1, 1933. The moratorium law does not apply to taxes; foreign debts; insurance premiums; wages and salaries; pension paid from real estate and subsistence to wife or children; compensation payable by the debtor on account of criminal acts; debts due directly to the purchase of necessary articles or consumption goods unless their cost has been unpaid for three months prior to the date on which the law became effective; interest on debts and amortization on loans the amortization period of which is at least fifteen years; unpaid price of real estate if it has been stipulated in the deed of sale that it must be paid at a specified time and if such debt is demanded from that real estate property which has been collateral for the debt; debts contracted after the passing of the law.

52. Bouchal, J. L. Farm foreclosure sales in Finland increase in 1932. 2p., typewritten. Helsingfors, Jan. 27, 1933. (Consular Rpt. 95761.) Copy in Economics Library, Pamphlet Collection.

"During the first three quarters of the year 1932 foreclosure sales of Finnish farms increased steadily, but during the last quarter there was a sharp decline. The total number of execution sales during the whole year was 2,526, compared with 1,640 in 1931... The total number of farms sold was 3,537... The aggregate sum for default of payment of which foreclosures were demanded amounted to 279,370,195 Finnish marks of which sum 194,067,347 marks represented mortgages. The total debt of the farms sold, however, amounted to no less than 432,979,994 marks while the sum realized was only 210,513,620 marks. In most districts the amounts realized were only about 50 per cent of the total indebtedness."

53. Finland aids farmers. Parliament passes measures expected to save 3,000. New York Times 82 (27,403): 10. Feb. 2, 1933.

"To alleviate the agricultural crisis Parliament has passed a measure providing for compulsory consolidation of farmers' debts and lower interest rates and another measure extending State mortgage loans to distressed farmers. These measures are expected to save 3000 farmers from ruin. Further relief measures are urged because it is estimated that, before the present measures were passed, 16,500 farmers faced bankruptcy this year. A total of 3,537 farms were sold in 1932 to pay off mortgages, the increase over 1931 exceeding 50 per cent. The State in 1932 purchased 623 farms from defaulting owners."

GERMANY

54. Federau, Fritz. Gegenwartsfragen im deutschen landwirtschaftlichen kreditwesen. Umschuldung, kreditkontrolle und bäuerliche wirtschaftsberatung. 68p. Potsdam, Max Schröder, [1929?]
A discussion of the problem of farm debt conversion in Germany.- p.7-32.

55. Verordnung des Reichspräsidenten zur behebung finanzieller, wirtschaftlicher und sozialer notstände. Vom 26. Juli 1930. Reichsgesetzblatt 1 (31): 311-331. July 27, 1930.
An emergency decree outlining certain types of relief measures to be undertaken and providing for steps preliminary to the funding of farm indebtedness in the Eastern provinces of Germany.
A decree of August 8, 1930 extended the area to which farm relief applies to include the parts of Posen and Western Prussia retained by Germany after the War, certain districts of Pomerania, Brandenburg and Lower Silesia, the states of Mechlenburg-Schwerin and Mechlenburg-Strelitz, and the province of Upper Silesia.
A decree of August 14, 1930 established an Eastern Relief Office (Oststelle) to handle matters connected with debt funding.

56. Gesetz über hilfsmassnahmen für die notleidenden gebiete des Ostens (Osthilfegesetz). Vom 31. März 1931. Reichsgesetzblatt 1 (14): 117-122. Apr. 8, 1931.
The Osthilfegesetz of March 31, 1931 provides for the refunding or conversion of agricultural indebtedness in certain sections of Eastern Germany. A sum of at least 500 million marks is to be provided by the Bank for Industrial Obligations made available by the receipts from fees to be collected for the fiscal years 1931 to 1936. The Minister of Finance is authorized to pledge to the bank for the loan a total amount of 850 million marks equally with the State Governments provided that their liability in each case is limited to one fourth of the amount of the loan. He is authorized to join with the State Governments in guaranteeing up to 250 million marks for the repayment of debts. Redemption certificates may be issued not to exceed one hundred million marks and must be redemmed by the end of the fiscal year 1938. They may be used only in commercial dealings of cooperatives, savings banks, etc. The annual payments of the debtors must not surpass 4-1/2% of the debt repayment loan during the first 5 years and 5-1/2% thereafter. If the payments by debtors are not sufficient to cover current expenses, the difference will be paid by the Reich. Unless granted a higher rate of interest by the Government the bank will receive one per cent on all such loans. Annual payments received from debtors are expected to redeem the loans in 33 years. Debtors are liable to the extent of 10% of the debt repayment loan for any loss that may occur in the total repayment of the loan provided that the annual disbursement of any debtor shall not exceed 1/2% of the individual conversion loan. Funds necessary for the protection of farms may be granted as loans or as subsidies for various operations which are specified. The Reich budget is to carry an appropriation of 50 million marks for the promotion of land settlement during the fiscal years 1932 to 1936.

57. Erlass des Reichspräsidenten über die bestellung eines Reichskommissars für die osthilfe. Vom. 5. November, 1931. Reichsgesetzblatt 1 (73): 665. Nov. 7, 1931.

Places the work of the relief scheme provided for by the law of March 31, 1931 in the hands of a Federal Commissioner.

58. Verordnung des Reichspräsidenten zur sicherung der ernte und der landwirtschaftlichen entschuldung im Osthilfegebiet. Vom 17. November, 1931. Reichsgesetzblatt 1 (75): 675-679. Nov. 20, 1931.

Agriculturists in the eastern relief area who are unable to meet their liabilities are granted the right to apply for the institution of safeguarding proceedings (Sicherungsverfahren) to ensure the cultivation and harvesting of the next year's crops. A creditor who has a lawful interest in the preservation of the debtor's establishment may also make such application. This right is not granted in cases in which debt-funding proceedings have already been carried through or are pending, when bankruptcy proceedings have already been begun or when the financial status of the agriculturist does not warrant the expectation of a successful outcome of the "safeguarding procedure." During the operation of the latter no warrant of attachment may be served or application made for bankruptcy or composition proceedings. The funds required to carry on the work on the farm during the operation of the "safeguarding procedure" are to be provided by the Bank for Industrial Obligations unless they can be obtained from other sources. They will be repaid from the proceeds of the next year's crop. Wages, living expenses, property insurance charges, public assessments, interest on foreign loans and all expenditures incurred in the upkeeping of the establishment and the cultivation of crops take precedence over interest payments. By a debt-funding plan subject to the approval of the proper authorities, payments may be suspended, arrears of interest cancelled, the principal reduced to half the total amount, and the interest reduced to 4-1/2% with regard to personal credits and loans covered by second and third mortgages, with the exception of those given by agricultural credit institutions.

59. Ritter, Kurt. Die krise der deutschen agrarpolitik. 46p. Berlin, P. Parey, 1931. (Agrarpolitische Aufsätze und Vorträge, Heft. 17.)

Contains a section on the agricultural problem of the Eastern provinces and the measures taken to relieve the situation which the author describes as a step in the dark.- p. 21-31.

60. Verordnung des Reichspräsidenten zur beschleunigten durchführung der landwirtschaftlichen entschuldung im Osthilfegebiet (Entschuldungs Verordnung). Vom 6. Februar, 1932. Reichsgesetzblatt 1 (9): 59-60. Feb. 8, 1932.

Requires agricultural creditors to accept in payment of short-term floating indebtedness debt-funding bonds (Entschuldungsbriefe) to be issued by the Rentenbank up to the amount of 500 million marks. These will bear interest at 4-1/2% and will be based upon the general security of additional mortgages to be placed on the farms. The principal security, however, will be receipts from the so-called

"industrial fee" to be turned over by the Reich for redemption of the bonds, of which 300 million will fall due in 1935 and the balance in 1938. The law provides also for an additional 100 million marks in cash for the same purpose, 70 million to be obtained from 1932 income from the "industrial fee" and 30 million from the 1933 income from the same source. The Reichsbank will discount to the amount of 100 million marks bills covered by these bonds, and will lend up to 40-50% of the nominal value on an additional 100 million marks of the bonds.

61. Verordnung des Reichspräsidenten über die ausdehnung der Osthilfemassnahmen auf die östlichen gebiete Bayerns. Vom 16. Juli 1932. Reichsgesetzblatt 1 (47): 357-358. July 20, 1932.

Extends the Eastern Relief measures for debt conversion to the eastern parts of Bavaria without protection against foreclosure.

62. Gordon, G. A. Presidential decree in execution of Government's agrarian program. 3p., typewritten. Berlin, Oct. 1, 1932. (Consular Rpt. 93138.) Files F. F. Agriculture, Germany.

Calls attention to 2 presidential decrees of September 27, 1932, published in Reichsgesetzblatt, t. 1, no. 65, Sept. 30, 1932. One of these decrees concerns "agrarian mediation procedure, protection against execution, and protection of tenants." It provides for the appointment by the district court of an official mediator to sponsor and supervise the carrying out of an adjustment between debtors and creditors. These mediation proceedings arrest bankruptcy proceedings and with certain exceptions, injunctions and mortgage foreclosures. Foreclosure is to be halted in case of heavy losses due to storms or an extraordinary drop in prices of agricultural products since 1930. Tenants whose rents are in arrears due to present conditions may not be dispossessed.

The second decree reduces by 2% interest due on mortgages for the period from Oct. 1, 1932 to Sept. 30, 1934. Agreements reached previous to the promulgation of the decree renouncing the benefits of future legal restrictions of interest rate are declared null and void. The principal of the loan is increased by the amount of the interest reduction.

63. Germany's measures for relief of agriculture through compulsory reduction of interest rates. Commercial and Financial Chronicle 135 (3510): 2252-2253. Oct. 1, 1932.

In a Berlin cablegram, Sept. 26, to the New York Journal of Commerce it was stated that the German Government had announced on that day new measures for the relief of agriculture through compulsory reduction of interest rates paid by farm debtors. The cablegram went on to say: "It has decreed that interest on agricultural mortgage obligations shall be reduced by 2%, except that such a cut shall not bring the rate down below 4%. The interest which will not be paid is to be added to the principal of the obligations, but repayment is not required until after the maturity of the obligation. Thus where gradual repayment of a mortgage over a 10% [10 year?] period is provided, the amount of the reduction in interest is payable after the 10-year period. No interest is allowed on this sum. The Government will give special aid to those

financial institutions in which agricultural mortgages constitute more than 10% of the portfolio. This will apply to mortgage banks and cooperative farm financing bodies. This will permit interest paid on farm mortgage bank bonds to be left alone. On the other hand, savings banks, insurance companies and individual creditors will have to carry the burden of the new arrangement alone."

64. Germany. Import quotas - interest reduction - employment. Economist (London) 115 (4649): 592-594. Oct. 1, 1932.

A communication of Sept. 27, 1932 from Berlin states:

"Herr von Braun, the Food Minister, has announced, in a speech to the Bavarian Agricultural Council, the long-awaited agricultural programme of the Government, which consists of quota limitation of imports of agricultural products, and a reduction of the rate of interest on agricultural debts. In both the Government has endeavoured to limit the concessions to agriculture in such a way as to avoid unduly harmful effects on the rest of the community, but parts of their programme are none the less questionable from the standpoint of the general economic interest...

"In the other relief measure, the reduction of interest, a repetition of the compulsory conversion undertaken by the Brüning Government last December has been avoided. The rates of interest on all securities are unchanged, but the interest on mortgages owed by farmers is reduced by 2 per cent. They are not, however, to be reduced below 4 per cent. (most mortgages bear 6-1/2 per cent. at present). The reduction is not to be final and is made in the first place for two years, though the possibility of a prolongation is hinted at. The sum saved is to be repaid towards the redemption of the mortgage. In order to prevent the credit institutions, which must maintain the service of their mortgage bonds, from becoming involved in difficulties, the Reich will make good, by the issue of Treasury bonds, the losses of those of them whose mortgages consist to the extent of over 10 per cent. of farmers' debts. The interest lost by the 'Landschaften,' the co-operative real estate credit institutions of the large landowners, which are already in a very difficult position, will also be made good by the Reich. The total mortgage debt of German agriculture amounts to Rm. 7,000 millions, so that the annual saving in interest amounts to Rm. 140 millions. The creditors are almost exclusively Germans...

"The protection of farmers against compulsory sale of their property and the special provisions for facilitating agreements between agricultural debtors and their creditors, which are due to expire shortly, are prolonged, and in addition the conditions upon which protection against distraint may be claimed, and a composition with the majority of the creditors be put into effect, are made less exacting."

65. Hoeffding, W. Interest reduction on farmers' mortgage debts. 8p., typewritten. Berlin, Oct. 5, 1932. (Commerce Rpt. 159600.) Files F. F. Finance, Germany.

The Verordnung des Reichspräsidenten über die Zinserleichterung für den landwirtschaftlichen Realkredit. 27. Sept., 1932 in Reichsgesetzblatt, Teil 1, no. 65, 1932, provides for a reduction of 2 per cent on all mortgages owed by farmers, the interest rate not to

be reduced below 4 per cent. The prevailing rate will now be 4-1/2 per cent. The reduction is to be effective for a period of 2 years from October 1, 1932. "The interest saved by the farmers during these two years can be added to the principal of the mortgage debt and will become due at the end of the amortization period. No interest, simple or compound, can be charged on those deferred payments." Interest payable on mortgage bonds remains unchanged so that creditors will have to bear the loss from the postponement of the payment of the 2 per cent interest for 2 years and that of the interest on postponed amounts. "The Federal Government has, however, agreed to assist the mortgage credit banks for part of these losses where agricultural mortgages with the respective bank make out more than 10 per cent of the total outstanding mortgages." Foreign mortgages are for the most part exempt from the interest reduction. "The saving resulting from the present decree is estimated at 140 million marks. Considering that the total deficit of all German farmers during the current year was recently estimated by the Federal Food Ministry at 1,200,000,000 marks, it is difficult to see how this measure can have a decisive influence in relieving the precarious financial position of German agriculture." Provision for the redemption of treasury notes given by the Government to banks holding farm mortgages exceeding 10 per cent of their total mortgage holdings will be made in the Government budgets for the years 1935-1937. These notes may be rediscounted in the meanwhile by the Reichsbank. "The total amount of treasury bonds that the Federal Government will have to issue in this connection is estimated roughly at 120 million marks."

66. Gray, C. W. Important farm relief legislation in Germany. 10p. and enclosures, typewritten. Berlin, Oct. 24, 1932. (Consular Rpt. 93623.) Files F. F. Legislation, Germany.

Supplements report of October 1, 1932 and contains copies and free translations or summaries of decrees of September 22 and 27, 1932.

Verordnung des Reichspräsidenten über landwirtschaftliches Vermittlungsverfahren, Vollstreckungsschutz und Pächterschutz vom 27. September 1932. Provides for the institution of mediation proceedings to bring about adjustment of farmers' debts. Such proceedings may be refused in 10 specified instances and suspended in 6 specified cases. These mediation proceedings are similar to the safeguarding proceedings applied in the Eastern Provinces by the decree of November 17, 1931, but in this instance they are applicable to the whole country. The advantages and disadvantages of the mediation proceedings are pointed out. The same decree protects against eviction of tenants whose rents are in arrears.

The decree of Sept. 27, 1932 reducing the interest rate on mortgages is also briefly discussed.

67. Verordnung des Reichspräsidenten über die fälligkeit von hypotheken und grundschulden. Vom 11. November, 1932. Reichsgesetzblatt 1 (75): 525-27. Nov. 17, 1932.

Defers payment due on farm mortgages until April 1, 1934. Cases not subject to the provisions of the decree are listed.

68. Durchführungs - und ergänzungsverordnung über die fälligkeit von hypotheken und grundschulden. Vom 16. Dezember, 1932. Deutscher Reichsanzeiger 296: 2. Dec. 17, 1932.

Regulations, retroactive from November 12, 1932, define the type of mortgages that are or are not subject to the moratorium decree of November 11, 1932. The moratorium does not apply, for example, to installment payments unless they exceed for a year three per cent of the original capital debt or additional interest payments made for the gradual amortization of the capital debt.

69. Krüger. Der deutsche Osten und die osthilfe. Landwirtschaftliche Jahrbücher 75 (4): [467]-497. 1932.

A discussion of the serious agricultural situation in Eastern Germany and the measures taken for its relief.

70. Verordnung zur durchführung des entschuldungsverfahrens in den östlichen gebieten Bayerns. Vom 5. Januar 1933. Reichsgesetzblatt 1 (3): 13-15. Jan. 14, 1933.

Provides limited protection against forced sale for farms in the eastern parts of Bavaria subject to the debt conversion procedure for the duration of the procedure but not beyond September 30, 1933.

71. Zawadski, C. T. Decreased indebtedness of German agriculture. 1p., typewritten. Berlin, Jan. 12, 1933. (Consular Rpt., 95183.) Copy in Economics Library, Pamphlet Collection.

"The various measures undertaken by the German Government to aid agriculture have resulted in a decrease of German indebtedness for the first time in a long period. The total indebtedness increased steadily since the stabilization of the currency and amounted to 11,800,000,000 Reichsmarks at the end of 1931, with interest charges of about [illegible] 1,000,000,000 Reichsmarks. Little change occurred during the first half of 1932 inasmuch as crop financing required much money at the middle of that year. In the third quarter of 1932, however, a decline in short-term indebtedness was noticeable, which probably continued until the end of that year. The total German agricultural indebtedness at the end of September amounted to 11,424,000,000 Reichsmarks, while the interest payments sank to 640,000,000 Reichsmarks.

72. Verordnung des Reichspräsidenten über massnahmen auf dem gebiete der zwangsvollstreckung. Vom 17. Januar 1933. Reichsgesetzblatt 1 (4): 19-21. Jan. 1933.

Amends emergency decree dated December 8, 1931 already amended by decrees of June 14 and September 27, 1932. These decrees provide for suspension of forced sale of real estate. For a detailed account of their provisions see under "The new protection against foreclosure."

73. Germany. Politics - Eastern agriculture - Swedish treaty. Economist (London) 116 (4665): 120. Jan. 21, 1933.

Contains an account of a disagreement between the Landbund, "the largest organisation of German farmers," and the German Government, the chief complaint of the former being "that the heavily indebted estates of the East are being sold in increasing numbers and are to

be used for settlement. The President seems to have caused the Government to prolong the agricultural moratorium as far as these estates are concerned and to extend it to other parts of the Reich." But, because the Landbund had already handed to the press a criticism of the Government charging "spoliation of agriculture in favour of the almighty purse of the internationally controlled export industry and its satellites," negotiations between them were broken off. "The Deutsche Bauernschaft, which represents the peasants in contradistinction to the large landholders, also denounced the Reichslandbund... The agrarian problem, especially that of the indebted estates of the East, is likely to give rise in the near future to violent dissensions among the Centre. On many of the estates the creditors are now prohibited by the 'protection' system from taking any proceedings, although there is no prospect that the debtors will ever be able to fulfil even the reduced obligations which remain after the compulsory conversion of a part of the debt. The sale of the land to settlers would at least make it possible to save the value of the first mortgage, and the State funds which have been allocated to the promotion of settlement would suffice for the erection of new farms on a large part of the land from these estates. The demand for such settlements is very great, so that all the conditions necessary for a partition of the estates are fulfilled. All that is needed is legislation to remove the 'protection' when the debt cannot be redeemed, but it was the attempt to do this which so greatly weakened Brüning's position and made him so vulnerable to his opponents. The present Chancellor will have need of great firmness if he is to carry through the measures which are economically necessary against the resistance of the large farmers of the East."

74. The new protection against foreclosure. 6p., typewritten. Berlin, Jan. 25, 1933. (Agricultural Rpt. 5576.) Copy in Economics Library, Pamphlet Collection.

The various measures for providing protection against foreclosure are outlined as taken from an account published in the Pressedienst des Deutschen Landwirtschaftsrats of January 18, 1933. "A limited protection against forced sales was first granted for the period up to December 31, 1930, from the date of the decree of July 27 (July 26?), 1930... In addition, through the 'Sicherungsverordnung' dated November 17, 1931, for the extended East Relief district.... a complete protection against forced sales has been established for such agricultural establishments as have entered the 'protection procedure.' The objects of the protection and debt conversion procedures are the condensation of debts to a degree proportionate to the capacity of the farm within the limits prescribed by the law, and conversion of short-term into long-term debts. For the eastern parts of Bavaria, an emergency decree, dated July 16, 1932, has introduced for farms coming under the debt conversion procedure limited protection against forced sale for the duration of the procedure, but not beyond September 30, 1933." The regulations valid in the Reich generally are provided by the emergency decree of December 8, 1931 with amendments dated June 14, 1932, September 27, 1932, and January 17, 1933. "The forced sale of real estate can be temporarily suspended for a maximum of 6 months if non-fulfillment of obligations due rests upon circumstances which are based upon general economic development and

which the debtor was not in a position to avoid... For farms this protection against forced sale was further strengthened in the original order in that a) protection might be granted beyond 6 months until September 30, 1932, and b) protection might also be granted even in the case of creditors' interests predominating, providing proper management of operations had been exercised. The order of June 14, 1932 then provided the possibility of a single further suspension for an additional six months. On the other hand, the order brought about a weakening of the protection in that the temporary suspension - especially where forced sale was demanded by a Mortgage Credit Institution - might be granted in principle only on condition that recurring obligations which became due during the period of suspension are duly met... The order dated September 27, 1932 then maintained for some time to come the possibility of qualified protection against forced sale for farms ... which, according to the original text, was valid only up to September 30, 1932, especially for certain groups of farms in distressing conditions, that is, for such farms as suffered from weather damage and the like, as well as for farms which have been exposed to especially unfavorable price trends. On basis of the relatively narrow limits of this special regulation, only farms in the northwest German pasture districts and in the Allgäu, in which livestock production predominates, profited by this qualified protection.

"The decree of September 27, 1932 provides, during the time of the agricultural 'mediation' procedure, for a suspension of the forced sale of real estate, and restricts the forced sale of movable property to claims for current recurring liabilities, wages and for current operating debts."

The new order, dated January 17, 1933, "provides the possibility of a third suspension. The second and third suspension, however, shall not be granted if at the time of application the debtor has recurring liabilities equal to an amount due during an entire year. An extended protection against forced sale is granted farm establishments ... not to go beyond October 31, 1933. Renewed suspension will be refused only if recurring liability has not been met for a period of 1-1/2 years."

75. Effect of "foreclosure protection" on forced sales in Germany. 2p., typewritten. Berlin, Feb. 16, 1933. (Agricultural Rpt. 5839.) Copy in Economics Library, Pamphlet Collection.

The following is quoted from the Deutsche Getreide-Zeitung of February 14, 1933: "As a result of the various emergency measures, the object of which is the postponement of forced sales of agricultural estates, the acreage sold under foreclosure (in Germany) in 1932 has declined. However, the decrease was not quite so extensive as might have been expected from the far-reaching foreclosure protection. The number of estates sold under foreclosure has even increased. This indicates that the average acreage sold under foreclosure in 1932 must have been somewhat smaller than in 1931, and also smaller than in 1930." Statistics are given covering the years 1927 to 1932 and applying to various German provinces.

76. The decree on the protection of agriculture against foreclosure. 4p., typewritten. Berlin, Feb. 20, 1933. (Agricultural Rpt. 5851.) Copy in Economics Library, Pamphlet Collection.

A decree of February 14, 1933 contains the following provisions: "In order to permit owners and creditors of establishments, the continuance of which is endangered by foreclosure measures, to benefit from the measures instituted for the restoration of German agriculture, the existing protection against foreclosure is temporarily extended by the following regulations:-

1. With the exceptions to be laid down in the executive regulations, forced sales of agricultural, forest and horticultural estates shall not be carried through during the period ending October 31, 1933.
2. With the exceptions to be laid down in the executive regulations, executions due to monetary claims shall not apply to objects of movable property which serve an agricultural, forest or horticultural undertaking or [which belong] to the household equipment of the owner of the establishment or his family, during the period ending October 31, 1933."

The changes resulting from the decree are listed.

GREECE

77. Maynard, Lester. [Outline of government aid to farm debtors in Greece] Athens, Dec. 6, 1932. Letter from Consul Lester Maynard to Louis G. Michael, 2p., typewritten. Enclosed in letter from Louis G. Michael, Belgrade, Dec. 20, 1932. Copy in Economics Library, Pamphlet Collection.

Because of losses to farmers and the increasing economic difficulties law no. 4455 came into force on January 4, 1930, authorizing the suspension of forced collections against farmers. A decree of October 17, 1932 authorized the suspension of compulsory execution against farmers. Before the establishment of the Agricultural Bank in August 1929 financial assistance was given to farmers by the National Bank of Greece. The method of operation of the Agricultural Bank in granting loans is outlined.

HUNGARY

78. Schoenfeld, R. E. Despatch no. 96, Budapest, May 9, 1931, 6p. and 2 enclosures, typewritten. Files F. F. 81930, Legislation, Hungary.

Contains a copy and a translation of Hungarian Law No. VIII, of April 20, 1931, which provides for "the granting of State assistance to indebted landowners in the adjustment of liens on agrarian property and for the flotation of land relief bonds... If the holders of liens on agrarian property were at this time rigidly to enforce their legal rights this would lead to the dispossession of a large number of farmers and to the forced sale of large amounts of farm property for which no market exists." The law grants powers of adjustment of farm debts to a national committee composed of economic experts. Should a satisfactory arrangement be arrived at, the claims of the creditors will be satisfied by a book credit and eventually by bonds guaranteed by the Government. In either case the claims will bear interest at the rate of 6.5% per annum and will be amortizable in 30 years. In some cases the principal may be reduced when creditors can not hope to receive anything from the proceeds of a forced sale. "The booking

of the credits and the emission of the bonds, respectively, will be centralized in the Hungarian Financial Syndicate... To it will be transferred all the mortgages which have served as security for the debts involved in friendly settlements. These mortgages will serve as special cover for the book credits or bonds given the creditors by the Hungarian Financial Syndicate."

79. Tuck, S. P. Despatch no. 155, Budapest, Aug. 18, 1931, 2p. and enclosure, typewritten. Files F. F. 84435, Legislation, Hungary.
Contains a translation of Cabinet Decree no. 4580 of August 14, 1931 which grants extensions of the time limits set in the law of April 20, 1931 for the execution of forced sales of agrarian property and for the effecting of friendly settlements between indebted landowners and their creditors.

80. Osborne, J. B. The farmers' moratorium. 11p., typewritten. Budapest, Aug. 2, 1932. (Consular Rpt. 91859.) Files F. F., Finance, Hungary.
A decree of the Hungarian Government, dated July 8, 1932, and published in the Official Gazette of July 9, 1932, provides for a debt moratorium for owners of cultivated land and vineyards until Oct. 31, 1932. It applies also to a landowner's house in a village which is occupied exclusively by him and his family and to land, in connection with that used for agriculture and viticulture, which is employed for gardening or forestry; to farmers having an income from other sources than farming provided the income from farming exceeds one-half of the total income; and to persons earning their living mostly by agricultural labor and who own a house in a village which is occupied only by their own family. The decree applies to those farmers the amount of whose mortgage on July 1, 1932 was twenty times greater than their net cadaster income or whose cadaster income per yoke exceeds an average of 15 crowns, if the mortgage exceeds 300 pengö per cadaster yoke, and to laborers owning a family home, if the mortgage exceeds six times the amount on the basis of which the house tax was assessed.
After the coming into effect of the decree the farmer must satisfy certain requirements, which are listed, with regard to payment of interest and amortization. In judgments against farmers who are entitled to avail themselves of the benefits of this decree the date for payment cannot be earlier than November first, 1932. If the creditor has filed suit after June 15, 1932, and the farmer has made the payment for amortization and interest at the latest on September first, the latter can not be obliged to bear the cost of the suit. The same is the case if the debtor has made the payment for amortization and interest after the first of September, 1932, but before the suit was filed. In case of the nonpayment of interest or amortization, trials must be postponed to a date after September first, unless they were originally fixed for a day after August 16, in which case they can only be postponed if the debtor proves that he has satisfied the preliminary conditions described. In case of a bill of exchange coming due between July 9 and September first, 1932, the debtor is exempted from payment of expenses if he renews the bill of exchange at the latest on the first week day after its maturity. Certain restrictions on attachment proceedings are provided. The decree does not apply to the following debts: taxes and

other public dues (but no auction can be held before October 31 even in case of these debts); fees of a notary public in connection with the settling of estates of deceased persons; debts contracted after March 31, 1932; amounts due for alimony or annuities in arrears for not more than half a year; house rents and leases of farms; claims secured by legal lien or claims for credits granted for purposes of production to farmers in accordance with the stipulations of existing ministerial decrees; premiums payable on hail and fire insurance policies; debts arising from service contracts; debts of a contractor of work against his sub-contractors; commisions and expenses of physicians, lawyers, engineers, mediators, and agents; debts for purchase of movable goods and of heavy machinery if the farmer refuses to issue a bill for the remainder of the debts; obligations to deliver money from a fortune of a third person in the management of the farmer; debts deriving from nonfulfilment of a contract; debts deriving from criminal acts or damage caused by negligence; claims for the delivery of movables. An auction of agricultural land held within 15 days prior to the coming into effect of the present decree or up to July 15th can be cancelled if the income of the management of the sequestrator before September first suffices for the interest, payment of amortization, taxes, and the expenses of the sequestration.

The decree was received with much dissatisfaction by traders and manufacturers.

81. Michael, L. G., and others. Hungarian land debts and recent legislation for their adjustment. 17p., 4 app., typewritten. Belgrade, Dec. 10, 1932. (Agricultural Rpt. 5155.) Copy in Economics Library, Pamphlet Collection.

Contains an account of the origin and extent of post-war agricultural indebtedness in Hungary and of the measures taken for its relief. The so-called Committee of Five, appointed in the spring of 1930, had power to help farmers in financial difficulties by permitting "liquidation either in the form of parcelling of a part of the land, or through the changing of the liabilities into long term mortgage loans." This committee was superseded by the National Committee for Land Mortgage Adjustments in April, 1931. The Land Debt Adjustment Act no. VIII of 1931 was passed on April 20 of that year. Three decrees followed during the period from October 16, 1931 to October 30, 1932. Decree no. 6,610 of October 16, 1931, reduces the maximum legal interest rate to 12 per cent. "It also provides for the temporary protection of farmers whose requests for the adjustment of their debts by the National Land Debt Adjustment Committee have been rejected because their financial situation was bad to the point where no disentanglement could be expected... It defends the existence of small farmers whose actual annual net cadastral income does not exceed 1000 crowns a year" and more than half of whose income is from their farm. This decree was continued and extended by decree no. 3,800, issued on July 9, 1932. Decree no. 6,300, of October 30, 1932, "is a combination and prolongation of all previous decrees... The privileges included in this decree refer to adjournment of all legal steps for the collection of farmers' debts whose principal source of income is derived from their farms and whose debt, if their holding is under 50 cadastral yokes, exceeds fifteen times the net cadastral income

or, should the net cadastral income be larger than 15 crowns per yoke, if the debt per yoke is in excess of 225 pengo. If the holding is larger than 50 yokes the debt shall exceed twenty times the net cadastral income, or in the case of a cadastral income above 15 crowns, 300 pengo per yoke. Farms that belong to commercial companies are excluded from the privileges... Farmers, whose debt exceeds thirty times the net cadastral income, may be granted exemption for a maximum period of 6 months from the sale of their property by auction. This privilege may, however, not be granted unless the debtor makes it evident that his insolvency is only of a temporary character and he would be able to pay the debt after the delay expires." Some criticisms of the Hungarian press are given. Translations of the law and decrees are appended.

82. Hersum, C. R. The indebtedness of Hungarian agriculture. 5p., typewritten. Budapest, Dec. 19, 1932. (Commerce Rpt. 164969.) Files F. F. Finance, Hungary.)

"The Hungarian Bureau of Statistics has recently published the results of a study on the indebtedness of Hungarian landed property based on the data contained in the statements of all the Hungarian banks... This is the first complete survey of the Hungarian agricultural indebtedness, all former material having been based on the statistics of the land registry which do not take into consideration amortizations, and proceed to a writing off of the debt only in case it is completely amortized." The mortgage indebtedness on Hungarian landed property is analyzed, and the conclusion is drawn that "only an improvement of prices of agricultural commodities can improve the situation of the farmers in Hungary and enable them to pay their debts."

83. Lorinez, Ladislas. Status of Hungarian farm debts at the end of 1931 and 1932. 5p., typewritten. Belgrade, Dec. 28, 1932. (Agricultural Rpt. 5337.) Copy in Economics Library, Pamphlet Collection.

A summary of a report published by the Vice-President of the Hungarian Bureau of Statistics, Dr. Julius Konkoly-Thege, on the status of farm debts in Hungary as of December 31, 1931 "as well as an estimate relative to total net debt including both debt secured by mortgage and debt secured by other means, or not secured at all, as of December 31, 1932." The "net indebtedness" is calculated and a table shows "the division of this debt by categories of creditors and of maturity.... A new feature in the statistical data published by Dr. Julius Konkoly-Thege is the computation of the gross debt per mortgaged cadastral yoke for small farms. Table II shows the average debt of all farm categories, as well as percentage of mortgaged farmers among all farmers, and percentgage of mortgaged acreage in the total farm acreage in Hungary." The total land indebtedness is also calculated in addition to and including the mortgage debt.

INDIA

84. Pantulu, V. R. The problem of liquidating agricultural indebtedness. Madras Jour. Co-op. 23 (4): 207-214. Oct., 1931.

Measures suggested for the liquidation of rural indebtedness in India include "(a) replacement of usurious debt by loans on reasonable terms;

(b) moratorium; (c) conciliation or adjustment; (d) simple rural insolvency law; (e) regulation of money-lending; (f) legislation to protect the agriculturist against himself; (g) temporary relief to debtors... An easy solution that readily suggests itself is a moratorium... At best it is a temporary remedy... The Legislative Assembly was of opinion that it could not be resorted to without throwing out of gear the whole credit system. Extension of time for payment may mitigate the hardships caused by the present acute economic depression, but cannot save the debtors from the ruin that stares them in the face at the prospect of having to pay the debt some day."

IRISH FREE STATE

85. A question was put to the Minister of Agriculture at the session of the Irish parliament of July 5 dealing with the Minister's "recent pronouncement in which payments of arrears of land purchase annuities due to December, 1931, had been deferred... No arrears in which a moratorium is being granted will be collected until next May. That is twelve months hence." Dáil Eireann, Parliamentary Debates, Official Report, v.43, July 5 - Aug. 5, 1932, p.11-12.

ITALY

86. Les mesures gouvernementales en faveur de l'agriculture. Société d'Études et d'Informations Économiques, Bulletin Quotidien 12 (136): C 1-2. June 19, 1931.

In addition to the measures relating to the proportion of domestic flour to be used in milling and the provisions of wheat for the army and navy, the Italian Government has adopted a measure to provide for large credits to be available to safeguard the farmer from being obliged to sell his crop at any price obtainable. The money will be borrowed under conditions advantageous to the borrower who will be given time to obtain a remunerative price for his products.

87. Italy. Cereal growers in Puglie (Apulia) favored by easy terms in debt repayment. 2p., typewritten. Marseille, July 30, 1931. (Agricultural Rpt. 224.) Files F. F. Agricultural Relief, Nielsen.

Attention is called to a decree law no. 896 of June 12, 1931, published in Gazetta Officiale of July 13, 1931, p.3603, which authorizes the agricultural credit branch of the Bank of Naples to arrange with cereal growers in Apulia for repayment of debts due on June 30, 1931 on Government loans. Farmers who offer proper security may arrange to pay the amount due in equal annual installments extending over a period of 20 years.

88. Bauer, Walter. Italy. Readjustment of agricultural indebtedness. 7p. Marseille, Oct. 11, 1932. (Agricultural Rpt. 4353.) Copy in Economics Library, Pamphlet Collection.

Attention is called to the measures taken by the Italian Government to relieve farmers' indebtedness estimated at about 10 billion lire, more than half of which consists of mortgages. It was necessary for the Government to arrange for new repayable loans and in addition to provide

up to 656 million lire as subsidies. The funds for adjusting agricultural indebtedness by granting new credits are made available by savings banks or other banking institutions that carry on agricultural credit operations, or by the issue of mortgage bonds (cartelle fondiarie) at a rate of interest fixed by the Government first at 6 per cent and then at 5 per cent effective October 1, 1932. Three steps are distinguished in the Government's efforts to readjust agricultural indebtedness. I. A decree-law of July 24, 1930 makes provision for special mortgage credits to be granted to farmers or consortia that have contracted debts for the execution of improvements during the period from January 1, 1922 to December 31, 1928 "on onerous conditions." The new mortgage credits are repayable in 25 years. In addition a subsidy is granted sufficient to reduce the amount to be repaid annually by the farmer for amortization and interest to a maximum of 7.5 per cent of the total mortgage debt; i.e., if the farmer had to pay for amortization and interest a sum equal to 9 per cent of the debt involved, the Government would pay for him as a subsidy a sum equal to 1.5 per cent. A decree-law of September 24, 1931 makes the 7.5 per cent of the total debt include, besides amortization and interest, other expenses in connection with the transaction, such as commission fees and treasury dues. "The Government contribution is also granted in connection with the original debts, provided that the still remaining period of duration from the date of publication of the decree-law of July 24, 1930 onward does not exceed 25 years and that the interest rate charged for these debts does not exceed 6.5 per cent. Debts which had an interest rate exceeding 6.5 per cent must either be converted into the new mortgage credits or a new interest rate not exceeding 6.5 must be agreed upon." A decree-law of July 22, 1932 limits the contribution of the Government to repayments of amortization and interest to a sum not greater than that which would have to be paid in case of the conversion of the original debt into a new mortgage at 6.5 per cent interest. II. A decree-law of October 1, 1930 provides for the prolongation for a year of the repayment period for crop-year credits. A decree-law of May 15, 1931 provides for the repayment in 5 annual installments of crop-year credits pending on April 15, 1931, the five-year period to begin with July 1, 1931. Beginning with July 1, 1931, the Government pays 3.15 per cent of the interest charged for the prolonged loans such interest being charged on the total debt existing on July 1 of each year. Still more lenient conditions are granted to the Ferrara farmer. In addition extraordinary contributions are to be made to the interest on the farmers' debts in certain meritorious cases. Decree-laws of September 24, 1931 and July 22, 1932 provide funds for the payment of these extraordinary contributions which theoretically may cover the total amount of interest due. III. A decree-law of September 17, 1932 provides that farmers who had made no payments on their mortgage credits for a maximum period of two years up to September 29, 1932 may have the period of repayment prolonged. They may repay the total amount including interest in 20 semi-annual installments beginning on January 1, 1935. The number of installments will be reduced in case the period of ten years exceeds the original date of expiration of the mortgage.

JAPAN

89. Japan to help small farmers by debt delay. Christian Science Monitor 24 (163): 1. June 7, 1932.

A radio message from Tokyo states that "the movement for a moratorium for small farmers is gaining momentum... The petitions Committee of the Lower House of the Diet has approved the petition of farmers of 13 prefectures demanding a moratorium on debts for three years, a Government fertilizer subsidy of 60,000,000 yen, about $19,500,000, and an additional subsidy of 50,000,000 yen to finance the emigration of peasants to Manchuria. The Upper House viewing the program favorably, early legislation is probable."

90. Japanese farmers call on Government for prompt relief. Christian Science Monitor 24 (164): 1. June 8, 1932.

A radio message from Tokyo states that "a delegation of the Farmer Labor Proletarian Party visited the Minister of Agriculture petitioning a five-year moratorium on farm debts, taxes and rents, an arrangement for unsecured loans, free fertilizers and compensation for losses of fishermen and silk raisers. The delegates recalled that the Government repeatedly helped capitalists with moratoriums and subsidies while agriculture was still the basis of national wealth.

"Japan sees farm relief agitation grow into demands that threaten serious political consequences. Members of the Diet ask that it grant the farmers a five-year moratorium on debts, taxes and rents, provide them with free fertilizer, and compensate the silk raisers and fishermen for their losses."

91. La détresse rurale et l'aide du gouvernement. Societé d'Études et d'Informations Économiques. Bulletin Quotidien 13 (178-179): C 1-4. Aug. 11-12, 1932.

An account of agricultural distress in Japan is followed by the statement that a debt moratorium for the farmer was discussed and abandoned as impossible. The most that can be done is to reduce by one half the arrears of previous debts and the rate of interest of new loans to agriculture. Even this measure is rather late when most farmers have no food in more than 12 departments out of 46.

92. Japanese Diet ends session without acting on bill to ease farm debts - relief outlay small - $138,998,000 voted to aid needy - measure for stabilization of rice price passed. Com. and Finan. Chron. 135 (3507): 1747. Sept. 10, 1932.

Advices to the New York Times under date of September 4 report that the farm debt adjustment bill was dropped after the Diet had been held in session in an attempt to reach a compromise. Many of the Seiyukai members of the Diet had promised a debt moratorium of several years. Farm organizations have demanded such a moratorium.

93. Dawson, O. L. Agricultural indebtedness in Japan. 4p., typewritten. Shanghai, Jan. 9, 1933. (Agricultural Rpt. 5506.) Copy in Economics Library, Pamphlet Collection.

Measures that have been suggested for the relief of Japanese agriculture are outlined. "The agrarian population is indebted to the

gross extent of five to six billion yen. Part of this debt is owed to members of agricultural villages so the net amount of debt of the agrarian population is somewhat less... Plans for relief of such indebtedness have been discussed but nothing very thorough - going in the line of relief has come up for immediate action. The establishment of the National Economic Reconstruction Commission is a step in the direction of attacking the problem in its fundamental aspects but it will naturally take some time to get results from such a comprehensive and untried scheme." Loans to farmers are to be readjusted and payment of certain sums due to the Deposits Bureau (the funds of which come from the postal deposits of the nation) from agrarian financial organs are to be postponed. "Cooperative societies and central banks of agricultural and industrial cooperative societies or guilds are to be assisted in consolidating the debts of their members... The government is to guarantee the Deposits Bureau and Central Banks up to 30 per cent of the amounts issued as low interest loans, thus in practice permitting banks and cooperative societies to compromise with their debtors for 70 per cent repayment."

LATVIA

94. Puchowsky, Roman. Latvian agriculture. 26p., typewritten. Riga, May 6, 1932. (Consular Rpt. 90429.) Files F. F. Land, Latvia.

After discussing the distribution of land in Latvia under the Land Act of 1920 the author states that "a great amount of money was needed by farmers to settle payments for restoration of their ruined farms. Funds were also needed for land granted by the Government from the Land Pool. Irrespective of the very low price granted to peasants (on the average 12.00 lats per hectare) they were not able to pay for it at once, and the Government, through the State Land Bank, assisted farmers to overcome their payment difficulties in granting short and long term loans." A list of the amounts granted in loans by the State Land Bank from 1922 to 1931 is given. "Very easy terms of payment were granted by the State Land Bank. For the settlement of loans granted for purchase of land and for redemption of payments, a 41 year term was granted at the rate of 4.1 per cent annually; for settlement of other loans, the rate is 5 to 6 per cent annually and the term of payment is upon agreement. Taking into consideration the economic difficulties prevailing in agriculture, the Government in 1931 granted a moratorium to all debts payable by farmers."

95. Mayer, L. G. Results of moratorium granted to farmers. 3p., typewritten. Riga, Jan. 13, 1933. (Consular Rpt. 95091.) Files F. F. Finance, Latvia.

Two mortgage banks have reported on the results of the law of December 20, 1932 which grants a moratorium of 2 years for the payment of farmers' debts up to 1500 lats. The State Agrarian Bank "reports that it has granted in all short term loans amounting to a total of 30 million lats, and long term loans amounting to 184 million lats, the latter category being distributed among 107,000 farms and it is to them that the present moratorium applies. 60,000 farmers who have received loans ranging between 500 lats and 1500 lats will be freed of their interest and redemption payments on a total of 43,500,000 lats. The remaining 47,000 farmers, who had received a total of 140 million lats

in loans, will be relieved of the necessity of making payments on obligations totaling 70,500,000 lats. This is a total of 114 million lats on which no interest or redemption payment will be made in the coming two years. The sum mentioned represents 62 per cent of the total long-term credits granted by the State Agrarian Bank." The Latvian Mortgage Bank "estimates that the total sum of money in which it is interested and which will come under the terms of moratorium will be between 4 and 5 million lats. This Bank has announced that it is of the opinion that the terms of the moratorium apply only to payments of interest and redemption falling due within the coming two years but that overdue payments on both accounts are not affected by the moratorium and will have to be made."

96. Morse, L. C. A two-year moratorium for the repayment of building loans to State Agrarian Bank and State Mortgage Bank has been granted by Latvian Government. 2p. and enclosure, typewritten. Riga, Jan. 20, 1933. (Commerce Rpt. 166050.) Files F. F. Finance, Latvia.

"A law published in the Latvian official gazette 'Valdibas Vestnesis' no. 291 of December 23, 1932, provides for the postponement of payments of interest and principal for two years on long-term loans granted to builders and farmers by the State Agrarian Bank and the State Mortgage Bank in amounts not exceeding 1500 Lats... According to statistics of the State Agrarian Bank, the moratorium applies to approximately 114,000,000 Lats or $22,002,000 of interest and principal payments during the coming two years. The above amount constitutes approximately 62 per cent of the total long-term credits granted by the State Agrarian Bank... The amount of suspended payments to the State Mortgage Bank will, it is estimated, amount to approximately 5,000,000 Lats or $1,000,000... The bank will have to restrict the granting of new building loans to a minimum during the next two years."

LITHUANIA

97. Schapiro, Joseph. Reduction of interest rates and conversion of mortgage bonds by the Lithuanian Land Bank. 4p., typewritten. Kaunas, Dec. 17, 1932. (Consular Rpt. 94697.) Files F. F. Finance, Lithuania.

The Lithuanian Land Bank has reduced its charges for credit transactions and interest rates on mortgage bonds as from January 2, 1933. The interest on mortgaged loans on farms is reduced from 7.5 per cent to 6 per cent to help farmers to repay money borrowed from the Land Bank in previous years. "Farmers who have to redeem 15 year loans at the rate of 10 per cent will be given the possibility of extending payment for 23.5 years at the rate of 8 per cent per year on the initial sum loaned. Mortgage bonds issued in 1931 at 7 per cent will be converted into 5.5 per cent bonds, and the old bonds will be purchased by the bank at their nominal value as from January 2, 1933.

NETHERLANDS

98. Foster, C. H. New law for relief of Dutch farm tenants. 7p., typewritten. Rotterdam, Aug. 23, 1932. (Consular Rpt. 92305.) Files F. F. Legislation, Netherlands.

The Dutch Crisis Farm Lease Act of June 17, 1932, which went into effect on July 1, 1932, makes provision for the relief of farmers who have defaulted in their rent because of the existing crisis. A farmer who rented his farm before January 1, 1932 and who cannot meet his rent because of the prevailing exceptional circumstances, may petition the district judge for a complete or partial remission of the payment within fourteen days after it becomes due. The payment is postponed pending the judge's decision. An attempt is made to bring about an agreement between lessor and lessee, failing which both are required to appear before the Chamber for Crisis Farm Lease Affairs of the district court. The Chamber consists of the district judge and two agricultural experts appointed by the government. If the Chamber decides that a payment already made should be reduced it fixes the date before which the refund must be made. The provisions of the act apply to all rent money due after February 12, 1932, even if it had already been paid. "Since the enactment of the Crisis Farm Lease Act the District Courts have been overwhelmed with petitions for reduction of rent money... It is understood that up till now ... most cases had to be referred to the Chambers for Crisis Farm Lease Affairs for decision... So far no decisions of the 'Chambers' have been published. It is understood that in the cases where an agreement was reached before the District Judge the lessees have been allowed reductions ranging from 15% to 30% of the original rent." The act is expected to remain in force only until the passing of the present depression or until January 1, 1936, when a bill will be introduced proposing its cancellation.

99. Swenson, L. S. The agricultural rent moratorium. 2p., typewritten. The Hague, June 22, 1932. (Consular Rpt. 91288.) Files F. F. Agricultural Relief, Netherlands.

The bill to provide a farm debt moratorium became law on June 17, 1932. "Other examples of legislation in favor of special groups are to be seen in the recently enacted shipping subvention and the Government assistance rendered to the dairy and cattle industry as well as to poultry breeders. In the latter case the Government undertakes to pay the storage charges on eggs until autumn in the hope of higher prices, while advancing a minimum price to the grower immediately. Similar aid is promised pig breeders in a bill recently introduced by the Government which would subsidize the Netherlands breeder with the proceeds of a tax on the home consumption of pork and provide for a potential premium on exports."

NEW ZEALAND

100. New Zealand. Laws, statutes, etc. An act to confer jurisdiction to grant relief to mortgagors in certain cases. No. 3, Apr. 17, 1931. (In The Statutes of New Zealand, 1931.)

This act came into force on March 18, 1931 and is to continue in force until December 31, 1932 or an earlier date if so appointed. It entitles the mortgagor to receive notice before powers of sale or other rights are exercised against him by the mortgagee, even though it be the Crown, and empowers the courts in certain cases to grant him a respite.

101. New Zealand. Laws, statutes, etc. An act to amend the mortgagors relief act, 1931, No. 47, Nov. 11, 1931. (In The Statutes of New Zealand, 1931.)

The duration of the principal act is extended to December 31, 1933 and its application is extended to include mortgages executed during the interval between the commencement of the act and its passing (between March 18, 1931 and April 17, 1931). The powers of the Court to grant relief are extended. It may postpone the date of payment of principal or interest, reduce the rate of interest, or remit part or the whole of arrears of interest.

102. New Zealand. The Government's plan - Relief to mortgagors and tenants. Round Table no. 88: 915-919. Sept., 1932.

"The Mortgagors and Tenants Relief Act extended the relief given to mortgagors under the Mortgagors Relief Act, 1931. It also authorized the Court to grant relief to lessees by way of reduction or remission of rent, the lessor, pending its decision, being prevented from selling the property or exercising the right of re-entry. The relief that the Court can give in respect of mortgages of farming lands was extended to all mortgages. In the case of table mortgages, the Court was empowered to extend the term, and to postpone the date of payment of principal and interest... Provision was made for the automatic reference by the Court of all applications for relief to an adjustment commission for investigation unless the parties agree to accept the decision of the Court without such reference."

Part III of the National Expenditure Adjustment Act "makes a compulsory reduction of 20 per cent in interest on all mortgages (including agreements for sale and purchase of land and company debentures but not mortgages on demand), and in all rents, accruing - in each case - on or after April 1, 1932, and before April 1, 1935. This reduction applies only to contracts in force at the passing of the act (May 10)... The net rate is not to be reduced below 6-1/2 per cent in the case of mortgages of chattels, nor below 5 per cent in that of other mortgages. No ground rent will be reduced below 5 per cent per annum of the unimproved value appearing in the district valuation roll on April 1, 1932."

103. Mortgagors and tenants relief act. Journal of the Parliaments of the Empire, 13 (4): 1025. Oct., 1932.

"This Act, which was assented to on 31st March, further extends the provisions of the two Acts dealing with Mortgagors Relief passed during 1931, and also provides for the granting of relief to lessees in certain cases. Some of the main provisions of the Act are as follows:- A mortgagor may apply to the Court for relief, notwithstanding that the mortgagee may not have given notice to exercise powers of sale, etc. (Sect. 2). The special provisions as to relief of mortgagors which, under the 1931 Act, applied only in the case of farm lands are extended to all classes of mortgages (Sect. 3). The Court may extend the term of a table mortgage by a period not exceeding two years, or may extend for a like period the due date for payment of instalments of interest and principal, and any mortgagee under a table mortgage (including the State Lending Departments) may agree, without recourse to the Court, to similar extension of the mortgage or postponement of payment of instalments

(Sect. 4). The Court is empowered to grant relief to lessees who may make application therefor by - (A) A reduction of rent for a period not exceeding two years; or (B) A remission of rent in arrears; or (C) Both a reduction of rent and remission of arrears. Where the annual rent does not exceed £210 the jurisdiction conferred on the Supreme Court by this Section may be exercised by a Magistrate."

104. Lawn, G. The Canterbury Chamber of Commerce farmers' finance scheme. Econ. Rec. 8 (15): 297-300. Dec., 1932.

The outcome of a conference composed of representatives of banking, farming, and commercial interests convened by the Canterbury Chamber of Commerce in January, 1931, was "the formulation and endorsement of proposals which have since been widely adopted throughout the province of Canterbury under the name of 'The Canterbury Chamber of Commerce Farmers' Finance Scheme'." The main provisions of the scheme are given. "The pivot of the scheme is the budgeting of farm expenditure. The budget is usually drawn up by the farmer and his stock agent and is then submitted to the other parties concerned in the finance agreement... On the basis of this budget a no. 2 account is opened for the farmer.... to provide the necessary advance for the season's operations. By agreement the repayment of this advance, with interest, is a first charge on the income from the season's output. The next claim to be satisfied is that of land tax and local rates... The balance of the season's income is then divided among the various creditors according to the agreement made under the scheme... In practice the scheme, has been found to bring benefits to all parties concerned... At the end of the 1931-32 farm year ... it was reported that the scheme had been widely adopted throughout Canterbury, that it had proved a success, that it had been adopted in some instances in other parts of New Zealand, that it had provided in some cases the basis for the compulsory arrangements made under the Mortgage Adjustment legislation of last year, and that there was a large body of opinion in favour of its continuance. In the light of the favourable comments made on the operation of the scheme it was decided at a further conference last June to recommend its continuance for the 1932-3 farming season."

PERU

105. Peru - Mortgage-loan executions suspended. Commerce Reports, no. 7: 106. Feb. 18, 1933.

"All mortgage auctions of rural and urban real estate have been suspended for one year and the interest rate has been reduced 1 per cent, providing that in no case can the rate be more than 9 per cent nor include penal interest in collections. Interest drawn by mortgage cedulas is excluded from the provisions of the law. (Decree promulgated on January 24, 1933.)"

POLAND

106. Perkins, C. W. Recent Polish legislation concerning agricultural indebtedness. 9p., typewritten. Warsaw, Sept. 21, 1932. (Consular Rpt. 92914.) Files F. F. Legislation, Poland.

Attention is called to a series of decree laws passed early in 1932 to ease the debt burden of the Polish farmer. The decree of February 25, 1932 increased the difficulty of forced sales of property and established a minimum price below which no sale can take place. The decree of March 12, 1932 permits the sale of a portion of a mortgaged piece of real estate to meet the pressing debts of the owner, provided the sales value of the property is sufficient to cover the indebtedness secured on it. A third decree suspends until August 15, 1933 the payment of taxes on agricultural property which were in arrears on October 1, 1931, and offers considerable reductions on payments made before the first mentioned date.

Four new decrees are published in the Journal of Laws of August 23, 1932. Of these the most important is a decree (Text 652) which establishes a system of court supervision and suspension of payments for farmers who are not hopelessly involvent. A debt moratorium may be recommended by one of a corps of "delegates" appointed by the Minister of Finance, and granted by the district court with which a mortgage on the farm is registered or in whose territory the farm is situated. Until a final decision has been reached the court may enjoin the sale or mortgaging of real estate and movable property belonging to the debtor. A debt moratorium will not be granted in cases in which it would cause excessive hardship to the creditors or when the farmer has brought on his condition of insolvency by criminal or reckless acts. The decree is not applicable to obligations assumed after the suspension of payments has been granted, costs of preventive procedure, state and commercial taxes and fees, including court fees, cost of labor hire, social or fire insurance, alimony, debts secured by pledging movable property, instalments due on long-term credits, certain debts secured by real estate, debts incurred after December 1, 1931 for goods used for farming purposes, current lease payments, objects or legal titles exempted in case of bankruptcy. The moratorium may be granted for one economic year to enable the crops to be harvested and sold. If the court's decision is made during the second half of the economic year the term of the moratorium may be extended to include the following economic year. The second part of the decree deals with the procedure for settling the suspended debts.

A second decree provides for the designation of Chambers of Agriculture or similar agricultural organizations to act as arbitrators in the adjustment of the financial affairs of persons "whose principal occupation is the pursuit of agriculture on an area of not more than 50 hectares." These offices are given power to determine the ability of the debtor to pay, to draw up a plan for meeting his obligations over a period of three years, and to fix the interest rate he will have to pay. Unless and until a minimum rate is fixed by the Ministers of Finance and Justice, all payments may be reduced to 9 per cent per annum. Certain debts are excluded.

A third decree gives the district land offices authority to apportion mortgage indebtedness between a portion of a farm property sold under the terms of the decree of March 12, 1932 and the portion retained, in the event that the debtor is unable to reach an agreement on the subject with his creditors.

The fourth decree amends the Presidential Decree of June 29, 1932, which prescribed a legal maximum interest rate of 24 per cent, by eliminating this fixed rate and authorizing the Minister of Finance to establish maximum rates by way of decrees.

"The combined effect of these measures is the institution of a practical moratorium on a very large volume of agricultural indebtedness; and in the course of time they will also result in an extensive reduction of interest rates ... apart from its significance with respect to the general business and credit situation in Poland, the Government's policy concerning agricultural indebtedness is of particular interest to American exporters because of its reaction on the trade in agricultural implements and other farm equipment. Most of the implement firms have a large volume of outstanding accounts which have now been completely frozen, and in consequence their own ability to pay has been seriously impaired."

107. Belin, F. L. Law reducing rates of interest and extending amortization periods of long-term credits guaranteed by mortgage bonds and securities. 4p. and enclosure, typewritten. Warsaw, Jan. 23, 1933. (Despatch no. 52.) Files F. F. 95466; Legislation, Poland.

A Polish law of December 20, 1932 reduces interest rates on three specified categories of loans to 4-1/2 per cent, 5 per cent, and 5-1/2 per cent respectively. This provision does not apply to loans on the basis of which were issued mortgage bonds and securities bearing interest at the rate of 5 per cent or less or mortgage bonds and securities floated on foreign markets and quoted on foreign exchanges. The Minister of Finance is authorized to promulgate a decree before April 1, 1933 to provide for extending the periods for the amortization of the loans, establishing new amortization plans, and converting issues redeemable at maturity in a single payment into long-term loans payable in installments. The retirement period may not be extended for more than 56 years from the date of conversion, and a three-year moratorium on repayments of capital may be decreed. Provision is made for annual inclusion in the budget of "sums necessary to compensate for the difference between the interest on and the period of amortization of mortgage bonds and securities issued by State banks, and the reduced interest, and the amortization instalments resulting from the extension of the periods for amortization of the liabilities on the basis of which these mortgage bonds and securities were issued." For example, should a loan fall under the new law in the 5 per cent category while the 8 per cent bonds on which it is based are not liable to conversion, these bonds will continue to pay 8 per cent, and the difference of 3 per cent will be paid from budgetary funds. "Despite general recognition of the serious difficulties in which farmers and estate owners in Poland find themselves at present, the new law has been vigorously criticised for certain inconsistencies and for granting preference to certain classes of debtors, and it is reported that it will be amended in the near future." A translation of the law as published in Dziennik Ustaw (Journal of Laws), no. 115, Dec. 24, 1932, is appended.

108. Poland. Parliament - war debt - conversion - cotton industry. Economist (London), 116 (4663): 22-23. Jan. 7, 1933.

"Supplementing the Decrees promulgated in November limiting rates of interest and the profits of credit institutions, a Bill has passed its third reading in the Sejm for the compulsory conversion of all non-Government internal obligations based on mortgaged property. The published outline of this Bill, which is to become law on January 1, 1933, indicates that the interest rate on all loans based on real property will be reduced to 5 per cent or less, with a corresponding reduction in the obligations issued by credit societies and based on these property mortgages. Such issues of the Crédit Foncier type, of which a large number are outstanding in Poland, will have the coupon rate reduced by approximately one half, with the benefit being passed along to the individual borrower who has mortgaged his property. The amortisation dates of these issues are also to be greatly extended, with a moratorium on all maturities during the next three years. Exempt from the provisions of this law will be bonds issued in foreign currencies, as well as all bonds issued by the State, or by State banks with the guarantee of the public Treasury; the difference between the coupon rate and the interest charge to individual borrowers in such cases being assumed by the Exchequer. This Bill appears to be modelled on a similar law enacted by the German Reich - with the important difference, however, that the German law is for a limited period, whereas the Polish conversion is permanent."

PORTUGAL

109. Bauer, Walter. Portugal. Government aid to agriculture. 14p., typewritten. Marseille, Oct. 18, 1932. (Agricultural Rpt. 4463.) Copy in Economics Library, Pamphlet Collection.

"A decree of August 22, 1928, prolonged the repayment period of short term credits for covering the running expenses during the crop year given to ... credit cooperatives by the Government from 2 years (which already includes an authorized prolongation for one year) to 3 years. As a rule, these credits ought to be repaid after one year. This indicates the bad financial situation of the small and medium-sized farmers who are the main clients of the cooperative credit banks and perhaps also an insufficiency of credits previously placed at their disposal. An attempt to consolidate accumulated debts from short term credits and convert them into long term credits with an extended amortization period or to refund the mortgage debt, has not been made, as far as can be ascertained. But, in all probability, the Government will have to arrange this sooner or later."

RUMANIA

110. Hill, K. M. The Rumanian agricultural conversion law. 10p., typewritten. Bucharest, Apr. 25, 1932. (Commerce Report 150914.) Files F. F. Legislation, Rumania.

"The bill for the conversion of agricultural and viticultural debts, which the Rumanian Government presented to Parliament in October, 1931, has finally been passed. Its passage was marked by an unusual spirit

of cooperation on the part of all political parties and by the most intense opposition on the part of banking and business organizations which will bear the brunt of the losses resulting from the scaling down of the peasants' debts... The debts of agriculturists owning ten hectares or less shall be reduced by 50% and shall be legally convertible from the promulgation of the present law into liabilities to be amortised over a period of 30 years at an interest rate of 4% per annum. The above land must represent at least 30% of the total fortune of the debtor after his debts have been reduced by 50%, this percentage also covering accumulated interest. The period of 30 years is binding for the creditor but is left optional for the debtor who may settle his liabilities in a shorter time if he desires. Debts of agriculturists owning from 5 to 10 hectares or debts of truck gardeners or florists owning from 1 to 10 hectares will be reduced by only 25% instead of 50% in case the money is owed to a Cooperative Credit Institution or to an Agricultural Credit Bank. Creditors ... have the right to demand foreclosure only for the installment due them during the current year... The converted debts are guaranteed by a mortgage on the real estate of the debtor, effective from the day the petition requesting the conversion has been filed with the court. The debtor benefiting from the conversion law is obliged to cultivate his land in accordance with the regulations established by the Ministry of Agriculture. Debtors whose liabilities do not exceed 300 lei per hectare - or 600 lei per hectare in the case of debts toward Cooperative Credit Institutions - are not entitled to benefit from the conversion law... Agriculturists owning land in excess of 10 hectares may benefit from the reduction of their debts indicated below, provided a minimum of 60% of their debts were concluded for the purpose of obtaining land, increasing their inventory, of effecting agricultural constructions and improvements, plantations, irrigations, dams, of covering agricultural losses, of insuring a minimum standard of life, as well as debts contracted by 'force majeure' causes and debts concluded for operating expenses, capital, and interest up to December 18, 1931. Debtors owning less than 10 hectares of land who have not benefited from the legal conversion [already] mentioned may take advantage of the present provisions. Owners of forests exploited for commercial or industrial purposes are not entitled to the advantages mentioned below. The category of debtors mentioned in this chapter may benefit from the reduction of their liabilities in accordance with the following scale:

10%	for	debts	concluded	during	1931,	capital,	interest	and accessories
20%	"	"	"	"	1930,	"	"	"
30%	"	"	"	"	1929,	"	"	"
40%	"	"	"	"	1928,	"	"	"
50%	"	"	"	"	1927,	"	"	"

Debtors must file their request for conversion with the local tribunal within 60 days from the promulgation of the present law, giving full details as to their liabilities and declaring that they undertake to pay within 6 months from the decision of the tribunal a quota of at least 10% of their reduced liabilities, the balance being paid within 2 years... Agriculturists entering within the scope of the present law may demand the 'judiciary conversion', offering to pay a minimum of 60% of their total liabilities, capital, interest, and accessories within a period to

be established by the tribunal in accordance with the capacity of payment of the debtor and by means of annual installments representing at least 50% of the net income of the debtor... The debtor must file the request for the 'judiciary conversion' within 2 months from the promulgation of the present law, giving full details as to his assets and liabilities and offering a plan for settling his debts over a period which must not exceed 30 years." Other general provisions of the law are outlined.

111. Wilson, C. S. Law for the conversion of agricultural debts. 9p., 2 enclosures. Bucharest, May 9, 1932. (Despatch no. 883.) Files F. F. 95886, Legislation, Rumania.

The enclosures are a translation of the debt conversion law of April 19, 1932 and a synopsis of the main provisions of the law.

112. Premier Maniu of Roumania offers conversion plan. Proposes holiday on forced sales for Rumanian farm debts. Com. and Financ. Chron. 135 (3508): 1913. Sept. 17, 1932.

A Bucharest telegram of Sept. 14 is quoted from the New York Times. "A new solution of the question of the conversion of agrarian debts is offered in a bill drafted by former Premier Maniu. It will be submitted to Parliament tomorrow, having been approved by the members of the expert financial commission of the League of Nations. Former Minister of Finance Argetoianu's bill is to be suspended. For six months all forced sales for agricultural debts are to be forbidden, the debtors paying between 4 and 5% interest. Any payments made during this period are to be credited with double value. The prohibition of forced sales [sic] is to be forbidden for 12 months more where the property consists of less than 10 hectares (24.7 acres). In consideration of this banks whose 40% of bill portfolios consist of agricultural bills will be relieved from repaying deposits for the 18 months except as directed by the National Bank. The Government hopes that during this 'closed season for debtors' financial help will arrive from abroad to enable the debt conversion to be effected."

113. Roumania. Agricultural conversion - finance - exchange - stock market. Economist (London) 115 (4649): 594-595. Oct. 1, 1932.

A communication of Sept. 15, 1932 from Bucharest states:

"One of the first tasks of the newly-elected Parliament was to be the revision of the Agricultural Conversion and Judicial Liquidation Acts, but after a month of parliamentary activity nothing is yet accomplished. There are serious differences of opinion in the ranks of the Government party and in the Cabinet itself on these problems. The latest formula which is submitted to the direction of the Government party for consideration preparatory to its introduction into Parliament as an amendment to the Agricultural Conversion Act provides an agricultural debt moratorium of eighteen months in order to give time for financial arrangements without which the measure cannot be carried through and also to give opportunity to the debtors and creditors to come to a settlement by direct negotiation."

1114. Donegan. A. W. Modification of the farm debt conversion law in Rumania. 13p., typewritten. Bucharest, Nov. 16, 1932. (Consular Rpt. 94206.) Files F. F. Finance, Rumania.

"Predictions as to the ruinous effects of the farm debt conversion law on the finances of Rumania have fully materialized, since the application of the law has been responsible for the failure of the majority of medium size and small banks, and has practically annihilated the credit system of the country and crippled the entire national economy. The whole private and public financial structure of the country has been shaken by the farm debt conversion law because the insolvency of the banks has resulted in the marked freezing of the assets of the National Bank of Rumania, and on the other hand the banking and business crisis brought about by the law has deprived the Treasury of an appreciable part of its estimated receipts... Although reliable statistics showing the amount of debts involved in the conversion are still lacking, it is estimated that the total amount reaches approximately 20,000,000,000 lei ($120,000,000) of which, however, only some 4,000,000,000 to 5,000,000,000 lei ($24,000,000 to $30,000,000) are debts of farmers owning less than 10 hectares of land, and whose total number in Rumania is estimated at 4,000,000, The balance comprises debts of wealthy farmers, and even of debtors whose principal occupation was other than agriculture. According to unofficial statistics, nearly 16,000 applications of landowners have been filed in the Rumanian courts for the conversion of debts aggregating more than 14,000,000,000 lei ($84,000,000), so that the average amount of these debts is around 1,000,000 lei ($6,000)... The adverse effects of the conversion law were aggravated also by the fact that the conversion of the debts was enacted almost entirely to the detriment of creditors who incurred practically all the losses." The situation was also aggravated by the inability of the Rumanian Treasury to procure funds for the financing of the law. The numerous complaints about the working of the law and demands for its modification led to the passing of a new law on October 26, 1932. "The modified conversion law is intended to maintain the benefits of conversion for small farmers whose land does not exceed 10 hectares and is cultivated by themselves; to eliminate from the benefits of the conversion law all applicant debtors whose principal occupation is not agriculture; to grant a general moratorium for all debtors involved in the conversion law of April, 1932; and to encourage during this moratorium the conclusion of mutual agreements between debtors and creditors. The modified law contains also provisions protecting banks with outstanding agricultural accounts from the sudden withdrawal of deposits. The law suspends for a period of 18 months final settlement between creditors and agricultural debtors whose status was established by the farm debt conversion law of April 1932... A general moratorium for a period of six months is granted to all agricultural debtors falling within the provisions of the conversion law of April 1932, during which period no foreclosure can be made against them. The maturity of all debts is extended by six months provided that the respective bills filed in the portfolios of credit institutions are renewed on the terms fixed in the modified law. This moratorium is extended by a further period of 12 months for all agricultural debtors who in the meantime have been

found by the Courts entitled to benefit under the provisions of the conversion law in its modified form. The following categories of debtors may enjoy the benefits of the conversion law (that is, reduction of the debt by 50 per cent and payment in instalments over a period of 30 years at a rate of interest of 4 per cent per annum):

a) Agricultural debtors, actual workers of their land, who do not own more than 10 hectares, enjoy unconditionally the benefits of the law;

b) Agricultural debtors, cultivators of land, who rent not more than 10 hectares of land, provided that not less than 60 per cent of their income is derived from agriculture or 80 per cent of their debts pertain to agriculture;

c) Agricultural debtors who are priests, teachers, small tradesmen, owners of small peasant flour mills, as well as rural communal employees and pensioners, if cultivators of land owning no more than 10 hectares;

d) Small peasant landowners called 'mosnenii'* and owners of clearances glades, and forests situated in mountainous regions, who are members of peasant associations according to the Forest Code, and such members of cooperative holdings whose shares do not exceed 10 hectares of land, and if their income from their 'mosnenii' property or cooperative holdings does not exceed 10,000 lei ($60.00) per annum;

e) Rural debtors who on the date of promulgation of this law were actual owners of land received under the provisions of the Agrarian Reform and whose right to such land, while not finally established, has been approved, as well as all colonists, regardless of the size of their property.

"Those mentioned above under b) and c) are not entitled to benefit if they have non-agricultural assets exceeding the amount of their agricultural debts or if they were not agricultural taxpayers prior to January 1, 1931, or if they acquired their property after January 1, 1932, except by inheritance... Agricultural debtors whose property exceeds 10 hectares or is 10 hectares or less but who are excluded for the other above specified reasons from the benefit of the law, must comply with the following stipulations:

A) Their debts must not exceed 20,000 lei ($120.00) per hectare of cultivable land (arable land, meadows, or pastures); 35,000 lei ($210.00) per hectare of dammed, drained, or irrigated land, or for fruit tree plantations; 70,000 lei ($420.00) for vineyards and from 20,000 lei ($120.00) to 35,000 lei ($210.00) for forests...

B) Such debtors (owning more than 10 hectares) shall furnish evidence that 80 per cent of the initial borrowed capital (exclusive of interest) was employed in the purchase of land, in agricultural investments, in the establishment and increase of live and dead inventory, in agricultural constructions, rural dwellings, plantations and land improvements."

Mutual agreements between debtors and creditors during the period of suspension or foreclosure as to the amount and nature of the debt are encouraged. "For small farmers the law has the advantage that, while under the provisions of the law of April, 1932, half of their debt was cancelled and the other half was made payable in instalments over a

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* Small peasant landowners whose ancestors have been farmers for generations.

period of 30 years, under the provisions of the modified law, if they pay immediately half of their debt they have no further payments to make. On the other hand, banks and creditors may realize at once half of their outstanding accounts. For farmers possessing more than 10 hectares the law provides facilities only if the bulk of their debts was employed in agricultural investments. Finally, for the Government the new law has the advantage that while under the provisions of the old law the State was obligated to compensate through the National Bank of Rumania the eventual losses incurred in the application of the conversion law, this obligation no longer exists under the modified law.

There is still a feeling in Rumania that the final formulation of the conversion law has not yet been made. Hence "the reestablishment of confidence in the credit situation and in business in general cannot be said to have gained appreciable momentum thus far from the modified law."

115. Wilson, C. S. The Rumanian law for the conversion of agricultural debts and the decision of the High Court of Cassation declaring certain articles therein unconstitutional. 4p., typewritten. Bucharest, Nov. 29, 1932. (Despatch no. 986.) Files F. F. 94430, Legislation, Rumania.

Certain articles of the debt conversion law were declared unconstitutional by a decision of the High Court of Cassation handed down on November 17, 1932 because they violated "Article 17 of the Constitution which guarantees the inviolability of property and forbids confiscation except when adequate compensation is given, previously agreed upon and fixed by judicial authority. The articles of the conversion law mentioned above cover the reduction by 50% of the debts of agriculturists owning more than ten hectares of land. The particular case which was brought before the Court of Cassation concerned the debts of the owner of more than ten hectares of land to the 'Creditul Rural'... Consequently, the court only took cognizance of those provisions of the law having to do with the debts of owners of more than ten hectares. The principle of law involved, however, is the same for those sections of the law concerning owners of less than ten hectares, and consequently the entire law is unconstitutional.

"A very complicated situation is created by this decision as all of the conversion operations which have taken place since the law went into force in April of this year are declared illegal and not binding... The court's decision has had a salutary effect upon the banks and the credit system of the country. By the conversion law the value of agricultural paper held by banks and other credit institutions was reduced by 50% and the remaining 50% was collectible only over a period of thirty years with interest rates reduced to 4%. By the decision of the court, that part of the assets of the banks represented by agricultural loans has again its face value at least in theory."

116. Sollohub, W. A. The conversion of agricultural debts in Roumania. Econ. Jour. 42 (168): 588-594. Dec., 1932.

The main provisions of the Rumanian agricultural debt conversion law of April, 1932 are given as well as the additions demanded from parliament by the Rumanian cabinet at a meeting on August 27, 1932.

"In an attempt to restore the balance between the prices of agricultural products and the fixed charges borne by the farmers, the Government arbitrarily wiped out 50 per cent of the debt of the latter and converted the remaining half into an obligation maturing in 30 years and bearing interest at the rate of 4 per cent per annum instead of the high rates previously charged." It is pointed out that, while the solution is an entirely ethical one, it has not been successful in practice, mainly because it is arbitrary, and because it is an attempt by a single country to solve the whole problem of the fall in world prices. Its lack of a solid economic foundation and of any constructive possibility is shown by the immediate demand for relief legislation for other classes of debtors in the country, and by the blow which it aims at any future credit operations. "The law sacrifices not only the interests of the credit organisations, but also of those farmers who had managed to keep fairly prosperous and had placed their money with the banks, syndicates or cooperative societies - that is to say, the interests of the class which was far more useful economically than the hoarder or the spendthrift, both of whom are protected. The law, of course, contains also a serious menace for the finances of the country and the stability of the lei... The whole banking system including the central bank, is involved... Notwithstanding all this ... the principle involved is of universal interest."

117. Lorinez, Ladislas. Rumanian land debts and recent legislation for their adjustment. 22p., 6 enclosures, typewritten. Belgrade, Yugoslavia, Jan. 12, 1933. (Agricultural Rpt. 5768.) Copy in Economics Library, Pamphlet Collection.

App. I is The Banking Situation in Rumania and the Conversion of Farm Debts, by Alfred W. Donegan.

App. II is Modification of the Farm Debt Conversion Law in Rumania, by Alfred W. Donegan.

The main characteristics of land credit in Rumania are the almost complete absence of long and medium-term loans and the consequent overwhelming majority of seasonal and other short-term loans with maturity not exceeding one year, and the high rate of interest charged by creditors "Immediately after the close of the World War money lenders in small villages often charged as much as 120 per cent a year, whereas private banks computed an annual interest in excess of 42 per cent." High interest rates were maintained in Rumania until 1932. The principal sources of land credit at the end of 1930 are listed and commented on, and the amount of the loans made to farmers by Government-controlled banks is given. The postwar agricultural indebtedness may be attributed in large part to the necessity for acquiring equipment for land granted by the land reform or to replace equipment destroyed during the war, to land purchases made with borrowed money, or to expenditures for luxuries during the prosperity period in agriculture. "It is estimated that not more than slightly over one half of the total debt of 52,167,592,000 Lei has been used for necessary investments, most of which were made by small farmers." Another opinion as to the origin of farm debts is taken from an article published by the Rumanian economist, S. St. Stoicescu, in which the author denies the farmer's need to borrow money in order to cultivate the land given to him inasmuch as there was abundant

opportunity for him to earn the necessary amounts by working part time on estates where good wages were paid. He claims that farmers borrowed money to make unnecessary purchases, to purchase additional land for outlays out of proportion to their means and the productive capacity of their farms, or for luxuries and amusements. A table shows the Rumanian farmers' approximate indebtedness in the fall of 1930, the conversion requests filed up to the fall of 1932, and the number and amount of forced sales by auction in 1927, 1928, 1930, and 1931. This table shows that "59 per cent of all small farmers and 26 per cent of all middle and large farmers in Rumania were involved in debt in the fall of 1932 to the extent of 6,585 and 16,656 Lei per hectare respectively. Presuming that the average interest rate on small farmers' debts was around 20 per cent only, and that on large farmers' liabilities around 14 per cent, the annual interest charge to be paid by the farmer appears in both cases to be in excess of the farm income in 1932."

"In consideration of the continuous downward price tendency for agricultural products since 1930 farmers' bankruptcy has become obvious, and it was under such conditions that the Rumanian Government began in the fall of 1931 to consider legislative measures destined to prevent the ruin of the farmer class which is by far the most important social stratum in Rumania. Long-term agricultural credit being undeveloped in Rumania, there could be no question of a private conversion... It is difficult to deduct any concrete leading idea from the rapidly changing schemes adopted and rejected one after another by the Rumanian Government." But the main aim has been to protect the farmers especially those owning 10 hectares or less, to protect foreign creditors in order not to jeopardize the existence of long-term agricultural credits lately created largely with the aid of foreign capital, to prevent forced sales of farms and homesteads and to reduce the interest rate on debts to a reasonable level.

"The Second Conversion Act, which is at present in force, is based upon the following principles: to grant a moratorium to farmers for the payment of their debts during which they should try to arrive at final agreements with their creditors, and to protect them against forced sales of their properties by auction until the problem of farm debts can be finally settled by definite legislation; and to prevent bank failures in volume, on account of the Conversion, by making possible for them not to repay deposits at least partially...

"The legislative material underlying the conversion of farm debts in Rumania is considerable. The changing point of view of this legislation has resulted in a series of contradictory bills and laws, as follows:

1. The Rumanian Farm Debt Conversion Bill of November 21, 1931, proposed to divide farmers from the viewpoint of farm debts into 'small farmers,' and 'middle and large farmers.' To the former category belonged farmers whose property was not in excess of 5 hectares. Small farmers' debts were declared as unconditionally convertible into long-term debts of 30 years which could be taken over under certain conditions by the 'States Amortization Bank.' Middle and large farmers' debts could be converted by the Bank of Agriculture if the majority of the creditors of a particular debtor consented to a reduction of the

...

total debt by 25 per cent. The convertibility of middle and large farmers' debt was in addition made dependent upon certain conditions relative to the average amount of debt per hectare and the utilization made of the loan... The necessary funds for the operations of the Bank of Agriculture were to be secured by a premium-loan bond issue, redeemable within 40 years...

2. The modified Bill submitted on February 10, 1932 ... extended the notion of 'small farms' to properties up to 10 hectares and provided for a linear reduction of debts according to a sliding scale governed by the date when the loans were contracted...

3. The third modified Conversion Bill, submitted on February 17, 1932, maintained the regulations relative to debtors, but introduced a solution for the compensation of creditors through the State's Amortization Bank. To cover the expenses incurred by these refunds a tax on real estate, securities, the capital stock of joint stock companies, and other property was to be levied. This tax called 'national contribution' was intended to be levied during 5 years, at the rate of 1 per cent of the value of the properties per annum...

4. The fourth modified Conversion Bill submitted on February 25, 1932 ... as regards the farmers did not materially differ from the Second Bill. Its novum is represented by new provisions for the 'protection' of banks affected by conversion... Farmers who had taken advantage of the Conversion Law were to farm their properties in accordance with instructions to be given by the Ministry of Agriculture. The Government expected to use the Farm Conversion as a means of imposing on farmers its plans of rationalization in agriculture.

5. Modifications of the Conversion Bill after February 25, 1932...

6. Law for adjournment of compulsory sales by auction. It appeared as early as the beginning of December that it would take several months until the Conversion Law could be exacted and enforced. To protect farmers in the meantime a Bill was submitted in the middle of December which passed without modifications and became a law on December 18, 1931. This law provided that rural property and the crops grown on it could not be sold by auction until February 15, 1932, nor could new liens be established during this period upon rural property. The rate of interest for farm debts during the adjournment was to be equal to the discount rate of the National Bank. The effect of this law expired on February 15 without the Conversion Law being in force. Therefore Parliament voted on February 11, 1932 the prolongation of the validity of the Bill until March 15, 1932. This date was later extended until May, after the Conversion Act was already in force.

7. The Conversion Act of April 19, 1932 ... provided for a very far-reaching and radical protection of farmers but at the same time spelled practical ruin for the bulk of Rumanian banks whose investments were of preponderantly agricultural character... To prevent bankruptcies in volume provisions were made to prohibit the declaration of bankruptcy against banks, at least 10 per cent of the assets of which were farm debts subject to conversion, and against various commercial and industrial undertakings 50 per cent of whose claims were subject to conversion. The Conversion Act thus interfered not only with private finance but also with commerce and industry... Merchants who had debts against their supplyers and industrials who owed money for

raw material declared they were not able to pay their debt on account of the Farm Debt Conversion as most of their debtors were farmers... To satisfy their just objection, a law entitled 'Law for the Settlement of Commercial Debts under Court Auspices' was enacted on April 25, 1932...

8. The Second Conversion Act of October 26, 1932 ... entitled 'Law pertaining to Modification of the Farm Debt Adjustment Act' ... states that the final settlement of farm debts shall be in pendency for 18 months. During this interval Justice Courts shall receive and try conversion requests in accordance with the provisions of the original Conversion Act 'to establish the amount and character of the debt, and to decide whether the provisions of the Conversion Act, together with modifications and new provisions included in the present law apply to the debtor'...

The Second Conversion Act seems to be doomed to the same destiny which overtook the first... Requests have been filed for the declaration of the Second Conversion Act as unconstitutional, the first of which requests is scheduled for trial on January 19, 1933.

9. Bill for adjournment of foreclosures of any real estate ... a transitory measure ... adopted by the Senate on December 11, 1932. A few new important provisions were later submitted and voted by the Chamber on December 23, 1932. The Bill proposes that the forced sale by auction of any rural or urban estate should be suspended until March 31, 1933, provided the property belongs to Rumanian citizens. Claims of public authorities, those of foreign creditors contracted before December 18, 1931, as well as miscellaneous claims are excepted from these restrictions."

Some criticisms of the Rumanian farm debt legislation follow.

Translations of the main provisions of the bill of November 21, 1931, of the modified bill submitted on February 10, 1932, of the modified bill submitted on February 17, 1932, and of the modified bill submitted on February 25, 1932 are appended.

TRINIDAD AND TOBAGO

118. Trinidad and Tobago. Laws, statutes, etc. Mortgages Extension Ordinance, 1922. No. 1, 1922. An ordinance to postpone the payment of the principal sum secured by mortgages and other encumbrances on plantations. [9th December, 1921] Passed in Council Jan. 13, 1922. Assented to by Governor Jan. 18, 1922. (In Laws of Trinidad and Tobago, 1922.)

Provides for a moratorium on plantation mortgages from the commencement of this ordinance on December 9, 1921 until June 30, 1923 except under certain specified conditions. The Mortgages Extension Ordinance, 1921 is repealed.

TURKEY

119. Allen, C. E. [Agricultural credit]. Istanbul (Constantinople), Dec. 3, 1932. Letter from Consul Charles E. Allen to Louis G. Michael enclosed in note dated Dec. 23, 1932, 2p., typewritten. Copy in Economics Library, Pamphlet Collection.

The method of granting agricultural credit is outlined, and the statement is made that "last year ... a moratorium of one year was granted to apply to all the agricultural debts in the Adana district. The Bank follows the practice, however, of suiting its measures to prevailing conditions and a general moratorium covering agricultural debts appears not to have been considered."

UNION OF SOUTH AFRICA

120. Land and agricultural bank of South Africa, Pretoria. Report, 1912-1931. Cape Town and Pretoria, 1913-1932.

Report for 1915: "A new position has been created by the extraordinary conditions now prevailing, and the Central Board was obligated to modify its attitude [in regard to granting] debtors extension of time wherein to pay interest and installments on their advances... It was thought necessary, as a matter of equity, to follow the lead given by Parliament in passing the Moratorium Act [of 1914] to prevent forced realization under bonds and contracts entered into prior to the 4th August, 1914. It was felt that special consideration should be given to those debtors who were unable to meet their obligation to the Bank on due date, because of the altered conditions, but it was imperative that such consideration should only operate in such a manner that the educative effect of the sound practice which has been established with infinite pains during the past years should be undisturbed... Extension of time has been granted in a number of instances, on condition that interest at the rate of 5 per cent per annum be paid on the arrears, and in no case has action been taken against a defaulting debtor who was able to show that his case deserved special consideration."

Report for 1930: "It has been found possible during the year to reduce the rate of interest on advances made on sole security of mortgage of land from 6 per cent to 5-1/2 per cent per annum. The Board has also decided in special cases to grant these advances on such conditions as to allow an initial period of one or two years during which interest only is payable, redemption commencing after the end of the first or second year. Both these measures have afforded considerable relief to farmers."

121. Ackerson, G. G., jr. Farmers' special relief bill. Despatch no. 127. Cape Town, February 9, 1931, p. 4-15, typewritten. Files F. F. 79334, Legislation, Union of South Africa.

Contains an account of some of the parliamentary discussion on the bill to provide for loans to farmers to meet pressing liabilities which later became law. One argument against it was "that the Government must not lose sight of the fact that a very effective moratorium was at present in existence which was working entirely in the interest of the farming community and that the banks were holding extended credits probably running into £5,000,000... The proposed payment of £5,000,000 would inevitably cause a stampede among the creditors and, consequently, the moratorium would go. For the benefit of getting their debts reduced from £20,000,000 to £15,000,000 the farmers would have to pay £300,000 per annum in interest. They would have no assets left and would be no better off."

122. Union of South Africa. Laws, statutes, etc. Act to provide for loans to certain farmers for the purpose of meeting pressing liabilities and for matters incidental thereto. No. 4, Feb. 25, 1931. (Statutes of the Union of South Africa, 1931.)

Provides for the creation of a board to grant loans to any person making application before March 31, 1932 who has carried on farming operations in the Union as his sole or principal means of livelihood for a period of not less than 12 months immediately preceding January 1, 1931, who is of good character, and who owes any justifiable debt which he has no reasonable means of paying.

123. Moratorium demand. General Hertzog rejects request. African World 120 (1556): 209. Sept. 3, 1932.

A paragraph dated Sept. 1 from "The Times" Pretoria states:

"The Prime Minister to-day opened a conference of economists, bankers, commercial and industrial representatives, and official nominees summoned by the Government to consider the relations of debtors and creditors.

"This is the sequel to a widespread demand, particularly by farmers, for a moratorium which General Hertzog has now emphatically rejected. He declared that if the corner was not yet turned, at any rate the depression had reached rock bottom, and the problem of the conference was to devise machinery to tide over the interim period until prosperity returned. He desired to prevent honest debtors falling into the hands of unscrupulous creditors, and to institute co-operation to revive confidence. He denounced the requests for a moratorium and for reduced interest rates as foolish, but said that immediate relief for debtors was necessary, and it would be better if it came by agreement rather than through Government pressure."

124. Taylor, C. C. Readjusting agricultural indebtedness in South Africa. 15 p., typewritten. Pretoria, Nov. 9, 1932. (Agricultural Rpt. 4891.) Files F. F. Pretoria.

In addition to lowered interest rates and the provisions of the Farmers' Special Relief Act of 1931, the author describes the appointment of vigilance committees to induce creditors to grant extensions of time for debt payment to deserving farmers. These committees are patterned after a plan which was put in operation during a similar critical period in 1922.

YUGOSLAVIA

125. Calnan, J. L. Law providing for protection of agriculturists in regard to the granting of loans on real and personal property. 6p., typewritten. Belgrade, Apr. 22, 1932. (Consular Rpt. 89870.) Files F. F. Legislation, Yugoslavia.

Contains a translation of a law signed by the King of Yugoslavia on April 19, 1932 and published in the Official Journal on April 20, 1932, which forbids the compulsory sale of farmers' real or personal estates until the promulgation of a law governing the conversion of farmers' debts or at the latest until six months from the date on which the present law becomes effective. It also regulates the interest which can

be charged on loans made on real and personal property and indicates the procedure to be followed in case a bank finds difficulty in making payments caused by excessive withdrawal of deposits. The term farmer applies to all persons who cultivate their land alone or with the help of members of their family and whose taxable income is chiefly derived from agriculture, provided their land does not exceed an area of 75 hectares of cultivated land or 150 hectares in the case of family unions. It also applies to those who for some valid reason are obliged to cultivate their land with outside help.

126. Clark, R. P. Extension of validity of the law providing for the protection of agriculturists. 5p. and 2 enclosures, typewritten. Belgrade, Nov. 18, 1932. (Consular Rpt. 94247.) Files F. F. Legislation, Yugoslavia.
"The Law of April 19, 1932, providing for the protection of agriculturists, which expired by limitation on October 20, 1932, has now been extended to December 20, 1932 ... for the reason that the Government requires further time for the consideration of the draft of law intended to replace it." Wide-spread opposition to the provisions of the law, even from farmers, led to a meeting of Yugoslav agriculturists at Belgrade in September, 1932 at which it was recommended "that the short-term debts of the farmers be transformed into long-term obligations bearing interest at rates within the means of the debtors ... [and] that, in cases of excessive indebtedness, recourse should be had to compulsory composition." A translation of the extended law is appended as well as a table "compiled by the Ministry of Agriculture with the assistance of the Privileged Agrarian Bank, showing by banovine the total debt of Yugoslav agriculturists ... the number of debtors in each banovina, including the city of Belgrade, and the division of the total debt in each banovina among small and large holders. The data collected by the Ministry of Agriculture are by no means exact though it is believed they are fairly illustrative of conditions as they now are... Something like one-half of the total indebtedness of agriculturists is owing among themselves... More than two-thirds of the total indebtedness of agriculturists falls upon holdings of less than 10 hectares, while something like five-sixths of the debtors are small holders ... something like one-half of the total indebtedness of agriculturists has been incurred for living expenses. In other words, not more than one-half of the over six billion dinars owing by Yugoslav farmers has been expended for improvements to their holdings including the purchase of equipment."

127. Clark, R. P. Law extending the validity of the law providing for protection of agriculturists. 2p., 1 enclosure, typewritten. Belgrade, Jan. 6, 1933. (Consular Rpt. 95069.) Files F. F. Legislation, Yugoslavia.
"The law of April 19, 1932, subsequently extended, with Article 3 amended, has again been extended, with amendments, for an indefinite period." A translation of the new law of December 20, 1932 is attached.

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